

**THE CONTRIBUTION OF NATIONAL SOCIAL SECURITY FUNDS ON
INCOME POVERTY REDUCTION: A CASE OF NSSF MOROGORO
BRANCH**

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REQUIREMENTS FOR THE DEGREE OF MASTER OF PROJECT
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CERTIFICATION

The undersigned certifies that has read and hereby recommends for the acceptance by the Open University of Tanzania a dissertation titled: “*The contribution of national social security funds on income poverty reduction: A case of NSSF morogoro branch in Tanzania*” by Edgar E. Mwashimanga that was done under my supervision and guidance for submission to Open University of Tanzania for the award of the Masters of Project management.

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Date

DEDICATION

This work is dedicated to my senior Lecture Dr. (PhD) Gwahula Raphael for his support during this study. Also, this work is dedicated to my beloved parents, Mr. Erick Edson Mwashimanga and Mrs. Elizabela Erick Mwashimanga, Flora Erick Mwashimanga and Rubeni Erick Mwashimanga without their great help and sacrifices during my upbringing I would not have gone to school.

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Lastly, it is not possible to mention everyone who assisted me during the study; kindly receive my gratitude and may God bless you all.

I would like declare that I bear all responsibilities for all errors that will be found in this work.

ABSTRACT

The aim of the study was to examine *the contribution of National Social Security Funds on income poverty reduction* of workers and community at large using NSSF Morogoro Branch as a case study. The study underscored activities carried out by NSSF; specifically those aimed at generating income to its beneficiary and explore opportunity and challenges of the fund. The sample of 80 respondents was taken which involves 70 NSSF members and 10 NSSF staffs. Structured questionnaire, documentary review and in-depth interviews were the main techniques for data collection from respondents. Data analysis was based on descriptive statistics were Statistical Package for Social Science (SPSS) was used and descriptive statistical procedures involving tabulations and distribution were used and later presented in tables, charts, and percentages. The result of these study shows that there has been an increase in the level of public awareness on the social security system in respect of benefits offered, coverage, investments and general of the sector although its contribution to income poverty reduction cannot be seen directly to local people because of less activities that can directly contribute positively on the income of people. Findings indicate that among its major activities it is only loan provision contributes to income poverty reduction, Illiteracy has been the major challenge facing NSSF Morogoro Branch, Government intervention is vital to support the efforts made by social security funds institutions But in case of improving its workers living standards, the findings shows that it has made significant contribution

to improve positively the lives of its workers. Generally it can be concluded that the potential of social security fund institutions is of highly important. It is as a result recommended that more effort should be made by the social security fund institution to increase activities that can contribute to the reduction of income poverty of its members.

Key Words: National Social Security Fund (NSSF), income poverty reduction, Tanzania

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LIST OF ABBREVIATIONS

ADB	Africa Development Bank
AIDS	Acquired Immune- Deficiency Syndrome
GEPF	Government Employees’ Provident Fund
HBS	Household Budget Survey
HIV	Human Immune-Deficiency Virus
ILO	International Labour Organization
IMF	International Monetary Fund
LAPF	Local Authorities Provident Fund
MKUKUTA	<i>Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania</i>
NGOs	Non- Governmental Organizations
NPF	National Provident Fund
NSSP	National Social Security Policy
NSSF	National Social Security Fund
NHIF	National Health Insurance Fund
NSGRP	National Strategy for Growth and Reduction of Poverty
PPF	Parastatal Pension Fund

PSPF	Public Service Pension Fund
PHDR	Poverty and Human Development Report
PRSP	Poverty Reduction Strategy Paper
SIDA	Swedish International Development Agency
SPSS	Statistical Package for Social Science
SHIB	Social Health Insurance Benefit
THIS	Tanzania HIV/AIDS Indicator Survey
URT	United Republic of Tanzania
UNDP	United Nation Development Programme
UN	United Nations
WRI	World Research Institute
WTO	World Trade Organization

CHAPTER ONE

1.0 INTRODUCTION

1.1 Chapter overview

This Chapter gives a comprehensive examination of the contribution of National social security funds on Poverty Reduction initiatives in the World and Tanzania in particular. It includes background and problem setting, statement of the problem, objectives, and research questions, relevance of the study and scope and limitation of the study.

1.2 Background information

Tanzania is an example of a country that has suffered the most devastating roles of bad government. According to Kimboy (2015) Tanzania social security funds could be thrown into a pension crisis due to a whopping Sh9 trillion debt the government owes, according to Controller and Auditor General (CAG). According to the CAG's 2013/2014 annual general report, the huge debt—some of it unsecured is likely to throw the funds into a benefit payment crisis soon. Mounting debts over the years could have a substantial impact on the liquidity of the social security funds, CAG warned, and throw the liquidity of social security funds off balance—which would have a knock-on effect on operations and their ability to meet short and long term obligations, including payment of retirement benefits CAG. (2013/2014). *Annual report*.

The debt stands at Sh. 11 trillion now, according to a report by a task force formed to review government debts to social security funds. The task force comprising

stakeholders was formed following a mismatch of loan details between the government and the funds during a meeting with the Parliamentary Public Account Committee (PAC). In October 2014, it came to light that the government had borrowed Sh1.88 trillion from the funds to take care of a variety of projects as at September 30, 2014. Some Sh. 7.1 trillion of the huge debt reportedly relates to what the government owes the Public Service Pension Fund in unremitted members' contributions since it was established in 1999. The CAG has spoken of his concern about the government's inability to pay the loans to the pension funds in keeping with their agreement. During a reconciliation meeting in October 2014, it was agreed that the government would pay Sh 937.87 billion. But, as of 7 March 2015, the funds had yet to receive the outstanding amount. In the meantime, the CAG warns, the government's debt burden will continue to rise as some of the loans bear interests and penalties. "Recovery of principal amounts and interest income on time is crucial to Social Security Funds for them to be able to maintain their required levels of liquidity," the CAG warns in his report. However, government debt from the social security funds has been rising with little or no repayment. By withholding the money it owes pension funds, the government poses an opportunity cost to Social Security Funds as the money would have been invested in more profitable undertakings and earn more income. The CAG was also concerned about the tendency of some of the funds to lend money to the government on the basis of oral agreements. CAG. (2013/2014). *Annual report*.

In the absence of loan agreements or written government guarantees, the CAG warns, the pension funds have limited assurance that these loans will be paid and this

could have adverse effects on the funds. Worse still, computing interest and penalties may be compromised as criteria for such deals have yet to be concluded CAG. (2013/2014). *Annual report*.

The LAPF Pensions Fund is one of the funds that gave the government loans without watertight agreements. According to the report, LAPF gave a Sh. 36.18 billion Loan to Hombolo Local Government Training Institute without either a government guarantee or agreed repayment plan.

Moreover, the National Health Insurance Fund gave the University of Dodoma a loan to put up Phase 1 of the Medicare Centre. Some Sh.43.36 Billion Have that amount remains unpaid and there is neither a loan agreement nor government guarantee in respect of this loan. According to a breakdown in the task force team report presented to PAC in October 2014, the government owes LAPF Sh. 173.23 billion, PSPF Sh. 478.56 billion, PPF Sh. 275.68 billion, NHIF Sh. 106.58 billion, NSSF Sh. 827.51 billion and GEPF Sh.14.33 billion (NSSF, 2009).

Social security development is one of the measures that have been adopted by developing countries including Tanzania to overcome poverty related challenges. The relevancy of social security in promoting economic growth and poverty reduction systems from its roles in saving mobilization, capital market development and income redistribution. According to monetary studies it is revealed that if social security is considered in socio - economic and poverty reduction programmes, significant progress can be made in improving standards of living in the developing world. Owing to this noble role in poverty reduction and economic development, social security reforms are being undertaken in different parts of the world to align

social security systems and programmes to economic growth and development. The ultimate objective 4 is to develop a social security system that responds to country needs and priorities. For the last 5 years, Tanzania's economic development has been a success story to many in the region with tremendous developments in all sectors of the economy (Peter *et al.*, 2004:1).

Though this rapid economic transformation can be attributed to many factors, the Social Security Funds of Tanzania played a significant role.

While there is a general appreciation of the role of Tanzania's social security scheme in the countries on -going economic transformation, no study has been conducted to quantitatively illustrate the contributions of the scheme to Tanzania economy .(HBS, 2007).

This study is therefore intended to demonstrate how the Social Security Funds of Tanzania have contributed to the development of the economy, hence justifying the aforementioned attempt by developing countries to develop social security as a strategy of achieving accelerated socio economic progress. Before discussing the aforesaid roles, it is important at this stage to briefly describe the Social Security Fund of Tanzania (Peter *etal*, 2004:1), hereinafter referred to as the Fund is a public institution created in 1962 to administer two branches of pension and occupational risks. Its principle functions are; to collect contributions from members, pay benefits to qualifying members and productively invest the surplus (NSSF, 2009).

The National Social Security Fund (NSSF) was established by the Act of Parliament No. 28 of 1997 to replace the defunct National Provident Fund (NPF). NSSF is a compulsory scheme providing a wider range of benefits which are based on

internationally accepted standards. NSSF covers the following categories of employers and employees: private sector which includes companies, non - governmental organizations, embassies employing Tanzanians, International Organizations organized groups in the informal sector including the government ministries and departments employing non - pensionable employees, Parastatal organizations, self - employed or any other employed person not covered by any other scheme and any of her categories as declared by the Minister of Labour. The scheme is financed through contributions at the rate of 20% of employees' salary. The employer is required to deduct from employee's gross salary the amount of contribution not exceeding 10% of the employee's salary. The employer adds the remaining balance to make the required contribution rate of 20%. The investment scheme of the NSSF is a fully funded scheme running under defined benefit principles. All funds collected are wholly invested for the purpose of financing benefit payments. (HBS, 2007).

The scheme provides seven benefits which are categorized as long term benefits and short term benefits as follows; Long Term Benefits/Pensions are retirement pension, invalidity pension, survivor's pension and Short Term Benefits/Pensions are funeral grant, maternity benefit, employment injury benefit and health insurance benefit. Pension is a term which expresses all long - term benefits offered by the scheme. It defines periodical payments given to a retired member, invalid persons and survivors of the deceased member to replace the loss of income resulting from old age, disability or death an important issues under NSSF benefits.

The social security concept has been changing with time from the traditional ways of security to modern ones. As societies became more industrialized as a result of industrial revolution in the 19th century and more people became dependent upon wage employment, it was no longer possible to rely upon the traditional system of social security. The negative impact of industrialization and urbanization attracted the attention of policy makers to formalize social security system that addressed the emerged social issues (Bossert (2002).

Social security systems in Tanzania fall into two main groups, namely, informal and formal social security. A formal social security system refers to conventional social security programmes such as pension schemes, health insurance and workmen's compensation schemes. An informal social security system includes macro-economic policies and programmes to promote equitable economic growth and employment, investment in and the development of social infrastructure and specialized programmes for alleviating poverty and traditional social security systems and practices (Tungaraza *et al*, 2000).

1.3 Statement of the problem.

Social security development is one of the measures that have been adopted by developing countries including Tanzania to overcome poverty related challenges. The relevancy of social security in promoting economic growth and poverty reduction systems from its roles in saving mobilization, capital market development and income redistribution. According to monetary studies it is revealed that if social security is considered in socio - economic and poverty reduction programmes, significant progress can be made in improving standards of living in the developing

world. Owing to this noble role in poverty reduction and economic development, social security reforms are being undertaken in different parts of the world to align social security systems and programmes to economic growth and development.

The prevalence of income poverty is still high in Tanzania. According to the household budget survey of 2000/01 the proportion of the population below the national food poverty line is 18.7 percent and that below the national basic needs poverty line is 35.7 percent. Comparing these results with those of the household budget survey of 1991/92 there has been a small decline in the proportion of the population below the national poverty lines. Basic needs poverty decreased from 38.6 percent to 35.7 percent and food poverty from 21.6 percent to 18.7 percent.

Most of the public are not aware of the contribution which is done by NSSF, so that it is the responsibilities of a researcher of this study to make aware the society to know the contribution of NSSF to individual income poverty reduction in Tanzania which implies to gross domestic product, improved standard of living, poverty alleviation, social welfare, income distribution, credit facilities and improved standard of education. These would be attained by the whole of the public once they have to utilize effectively the betterment which is offered by NSSF such as houses and plots at a cheaper price, employment opportunities, student loan, infrastructures and planned settlement by allowing NSSF projects like industrial development in their areas.

1.4 Objectives of the study

1.4.1 General objective

The general objective to examine the contribution of national social security fund on income poverty reduction.

1.4.2 Specific objectives

- i. To identify activities undertaken by National Social Security Fund which contribute to income poverty reduction
- ii. To examine the contributions of the identified activities relation to income poverty reduction
- iii. To find out challenges facing National Social Security Fund undertaking in its activities.

1.5 Research questions

- i. What are activities undertaken by the NSSF Morogoro branch?
- ii. Can activities undertaken by national social security fund help the community to increase their income?
- iii. What are challenges facing NSSF Morogoro branch in undertaking the identified activities?

1.6 Significance of the study

This study is important because it help to extract information related to social security services in the community hence add value into addition insight to previous study conducted so far.

The findings that will be established by this study will serve as a guideline for planners and policy makers in making decisions in regards to social security services. This research will also provide information to various practitioners in relevant ministries, NGOs and other bodies, for the purpose of policies and strategies formulation. Therefore, this study will help to create understanding of the benefit of the social security funds institutions to the poor, this will encourage policy makers to create legal and regulatory environment which will strengthen social security institutions to operate successfully hence contributing towards development of nation at large.

Lastly the findings of the study will stimulate other researchers to research on this area when the need arises.

And Also this study is so significant in the following ways; society would gain many benefits through joining (being members) including improved standard of living through income fund repayment, employment opportunities, planned settlement , healthy insurance benefits and hence socio - economic development in Tanzania.

The society would gain more information about how National Social Security Fund works and operate while stakeholders will get interpretation on how National Social Security Fund invests contributions in industrial development like Mkulazi 1 rufiji and 11 Mbigiri sugar plantations to all residents.

Besides this, the research is a requirement for the award of a Master of Project management degree .The research is also an addition to other studies carried out in the field of socio - economic development.

1.7 Scope and Limitation of the study

The study covered Morogoro Region particularly Morogoro Municipality. The choice Morogoro region because the society utilizes effectively the betterment offered by NSSF such as houses and plots for cheaper price, employment opportunities, student's loan, and infrastructures and planned settlement. The society should be encouraged to join (be a member) this is due to the fact that contributors benefits more than non contributors.

The researcher met with some difficulties when conducting a study. To a large extent, the quality of data collected depended on the sincerity and co-operation of the respondents and quality of documents that were examined. In this regard, some of the respondents failed to provide relevant information because they were illiterate and some of the of the documents contained old information. The respondents sometimes failed to give cooperation by not understanding aim of the study and even what was asked in the questionnaire, but researcher use the probing language without leading them in responding to the questionnaire and the data collection become successful.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This study covered the following areas of the study and hence the first part presents the conceptual definitions while the second part comprised Theoretical review, third part presented the empirical literature review, the fourth part presented literature gape to be covered by the study and the fifth part provided conceptual framework which would guide this study.

2.2 Conceptual definitions

2.2.1 National Social Security Fund (NSSF)

The National Social Security Fund (NSSF) is the government agency of Tanzania responsible for the collection, safekeeping, responsible investment, and distribution of retirement funds of all employees in all sectors of the Tanzania economy that do not fall under the governmental pension schemes. There are two other pension fund organizations in the country; the Public Service Pensions Fund for all employees working directly under the government and the Parastatal Pension Fund for all employees working under governmental parastatal.

The NSSF was founded in 1997 as the successor to the defunct National Provident Fund (NPF). NSSF covers all other employers in the country and participation for both employers and employees is compulsory. NSSF is both a pension fund and a provident fund.

It is the largest pension scheme in Tanzania Mainland; it has been extended to cover employees in the private sector (informal economy), the contribution rate is 20 per cent of gross salary, shared equally between employee and employer.

2.2.2 Poverty

Poverty at its broadest level can be conceived as state of lack unaffordable of decent human life (URT, 1998). Poverty in its most general sense is the lack of necessities like basic food, shelter, medical care, safety which are generally thought necessary based on shared values of human dignity (Sen, 1999). Poverty reduction refers to lifting the poor out of poverty. According to PRSP (2000) and NSGRP (2010) Reports, Poverty reduction refers to a process involving some strategies aimed at reducing the levels of poverty in a given society. Poverty reduction can be dealt with through economic growth approach and income redistribution approach (Kihombo, 1999).

2.2.3 Investment

In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price.

2.2.4 Community Development Project (CD)

The development objective of the Community Development Project is to establish an effective and sustainable instrument to improve the living conditions and the economic status of disadvantaged communities.

2.2.5 Social responsibility

Socially responsible means that people and organizations must behave ethically and with sensitivity toward social, cultural, economic and environmental issues . Striving for social responsibility helps individuals, organizations and governments to have a positive impact on development, business and society with a positive contribution to bottom - line results.

2.2.6 A public service

Is a service which is provided by government to people living within its jurisdiction, either directly (through the public sector) or by financing provision of services. The term is associated with a social consensus (usually expressed through democratic elections) that certain services should be available to all, regardless of income. Even where public services neither publicly provided nor publicly financed, for social and political reasons they are usually subject to regulation going beyond that applying to most economic sectors(Haule et al, 2000).

2.2.7 Planning

Planning I s a basic Management function involving formulation of one or more detailed plans to achieve optimum Balance of needs or demands with the available resources. The planning process identifies the goals or Objectives to be achieved, formulates Strategies to achieve them, arranges or creates the means required, implements, directs, and monitors all steps in their proper sequence.

2.2.8 Contribution

The NSSF covers all employers who have 5 or more employees between 16 and 55 years of age, with the exception of employees under the Government Pensions Act. The NSSF Act requires a registered employer to pay contributions to the Fund for his or her employees every month

2.2.9 Development economics

Is a branch of economics which deals with economic aspects of the development process in low - income countries. Its focus is not only on methods of promoting economic development, economic growth and structural change but also on improving the potential for the mass of the population, for example, through health and education and workplace conditions, whether through public or private channels.

2.2.10 Gross Domestic Product

GDP The monetary value of all the finished goods and services produced within a country's borders in a specific time period. Though GDP is usually calculated on an annual basis, it can be calculated on a quarterly basis as well. GDP includes all of private and public consumption, government outlays, investments and exports minus imports that occur within a defined territory. put simply, GDP is a broad measurement of a nation's overall economic activity.

Gross domestic product can be calculated using the following formula:

$$GDP = C + G + I + NX$$

Where,

"C" is equal to all private consumption, or consumer spending, in a nation's economy,

"G" is the sum of government spending; "I" is the sum of all the country's businesses spending on capital and "NX" is the nation's total net exports, calculated as total exports minus total imports ($NX = \text{Exports} - \text{Imports}$).

2.2.11 Full Employment

The available labour resources are being used in the most economically efficient so that full employment embodies the highest amount of skilled and unskilled labour that could be employed within an economy at any given period.

2.2.12 Standard Of Living

The level of wealth, comfort, material goods and necessities available to a certain socio - economic class in a certain geographic area so that the standard of living includes factors such as income, quality and availability of employment, class disparity, poverty rate, quality and affordability of housing, hours of work required to purchase necessities, gross domestic product, inflation rate, number of vacation days per year, affordable (or free) access to quality healthcare, quality and availability of education, life expectancy, incidence of disease, cost of goods and services, infrastructure, national economic growth, economic and political stability, political and religious freedom, environmental quality, climate and safety. The standard of living is closely related to quality of life.

2.2.13 Poverty alleviation

The paramount goal of development assistance such as helping the very poorest of the poor achieve a better quality of life in order to enable the largest number of people to get above the poverty line.

2.2.14 A credit facility

The type of loan or debt strategy that is often used in a business or corporate setting and this kind of credit is used as part of the overall process of arranging equity financing. Credit facilities can involve several different forms of credit, ranging from revolving credit to a line of credit that is available for the company as a source of standby funding.

2.2.15 Health

Is the level of functional or metabolic efficiency of a living organism in Humans it is the ability of individuals or communities to adapt and self - manage when facing physical, mental or social challenges. The World Health Organization (WHO) defined health in its broader sense in its 1948 constitution as "a state of complete physical, mental, and social well – being and not merely the absence of disease or infirmity.

2.2.16 Education

Is the process of facilitating learning , knowledge , skills , Values , beliefs , and habits of a group of people to be transferred to other people, through storytelling, discussion, teaching, training, or research. Education frequently takes place under

the guidance of educators, but learners may also educate themselves in a process called autodidactic learning.

2. 3 Theoretical literature review

2.3.1 Concept of poverty

Poverty as a concept has been defined from different perspectives. According to International monetary fund (1999) cited in WTO (2002), poverty has been defined as lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn ones living, and not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence and it often implies living on marginal and fragile environments, not having access to clean water and sanitation (WTO, 2002)

According to the Swedish international Development agency (SIDA), (2002) poverty is complex, context- specific, relative and dynamic. Poverty is complex as it consists of a board range of aspects and situations that together constitute the lives of poor people and has several dimensions such as environmental, socio-cultural, economic and political. It is context – specific as it encompasses the key deprivations faced by poor in the bad circle of deprivation with vulnerability, powerlessness, physical weakness and absence of economic resources. The relative concept of poverty, on the other hand, refers to a standard of living defined in relation to the position of other

people in the income/expenditure distribution (Giovanni, 2005). In this sense, poverty is basically a phenomenon of inequality.

2.3.2 Marxian theory of poverty

This is a theory based on the fact that poverty comes about as a result of the situation a poor person finds himself or herself in. The poor person is therefore a victim of circumstances resulting from a number of factors, critical of which is the production system. Karl Marx points out that the entrepreneurial practices of the owners of means of production (capitalists) to move away from labour to capital intensive means of production in order to boost production and increase profits lead to massive unemployment. Capital intensive production forces the capitalist to retrench workers in order to increase profitability. Retrenchments lead to massive unemployment. The retrenched persons can either migrate to reengineer themselves in urban areas or change professions. Those who fail to reengineer end up at home as paupers and form what Karl Marx calls a reserve army of laborers.

Theory of economic development Jeremy (2009) states that development has meant many things, depending on the era and context, for example on his explanation development refers to economic growth that leads to increased standard of living. The latter term itself is problematic, depending on whether it is measured simply in economic terms, like Gross Domestic Product (GDP), or if it includes social and health measures, like education and standard of living, which one finds in the Human Development Index (HDI).

Harvey and Reed (1992:270) capture three assumptions on which theories of poverty are developed. Firstly, the welfare reforms were victims of poverty are considered victims of poor structures of production, distribution and governance. Poverty is considered a structural problem and therefore victims are absolved from the blame. Secondly, poverty is also largely viewed as an ideological fact and therefore elites develop a concept of poverty based on perception. These elites dictate the dimensions of poverty based on their own social groupings and achievements

2.3.3 Theory of human development

According to Wetzel (2002) the theory states that socio - Economic development not only individualizes available resources, it also enlarges these resources: rising incomes, skills and information facilities increase people's physical and intellectual resources. Socio – economic development diminishes the most existential constraints on human choice by increasing individual resources. These resources give people the objective means of choice.

2.3.4 Positive Theory of Social Security

According to Tabellini (1990) positive theory of social Security relies on a simple central idea of social security, it redistributes both across and within generations and for this reason, it is supported by the recipients of social security to get benefits such as high standard of living, life expectancy, GDP, as well as by the poorest taxpayers. When this idea is formalized in a simple overlapping - generations model, two positive implications are obtained.

2.4 Empirical reviews

2.4.1 Empirical studies outside Tanzania

A study conducted, by employing the ARDL- Bounds testing approach, to investigate the Causal relationship between financial development, economic growth and poverty in South Africa for the period 1960-2006 by Odhiambo showed that a unidirectional causal flow from economic growth to poverty reduction existed in South Africa. Similarly, Gelaw empirically examines the relationship between poverty, inequality and growth in rural Ethiopia using a panel data of Ethiopian Rural Household Survey (ERHS) for the period 1994- 2004. The author adopted the fixed effects regression model for estimation. Results of the study show that poverty gap and growth in real per capita consumption has a negative and significant relationship which implies growth in mean consumption reduces poverty gap in rural Ethiopia.

Deolalikar et al. (2002) have identified the role of institutions - social and political in affecting poverty and the manner in which they influence the reach of health and education services to the people have been emphasized. Krishna (2005) has shown empirically that healthcare expenses are a very significant burden on the poor as well as those on the hedge and are most likely to plunge those yet on the right side of poverty line into poverty. Thus both of them prove the importance of health care and the accompanying expenses in perpetuating poverty.

World development Report 2000/2001 (World Bank, 2001) conforms to a wide range of beliefs and ideas to help understand and strategize upon the reduction of poverty all over the world. Among the various causes of poverty, the list includes insufficient

income and assets to meet the utmost essential requirements of human life, inability to participate in social and political institutions due to “noiselessness and powerlessness,” and being prone to adversaries - social and natural. (World Bank, 2001) Significant implications of poverty include “rudeness, humiliation, shame, inhumane treatment, and exploitation at the hands of the institutions of state and society,” - faced by the poor (World Bank, 2001). Also the lack or insufficiency of income and assets makes them unable to access proper food, clothing, housing, healthcare and education essential for normal well-being. Interestingly the report combines the different opinions on causes and implications of poverty that have been discussed earlier

General studies Kifayat et al. (2015) studied the role of conservation in sustainable development in Pakistan and since the study is descriptive in nature, therefore in order to answer the research questions; the study employed descriptive statistical tools. The findings showed that since its inception n, Ghulkin Educational Social Welfare Conservation Organization (GESWCO) has put together its effort for better utilization of the available natural resources for the betterment of the community such as high standard of living, GDP, employment and poverty alleviation.

Niza et al.(2014) examined the efficiency of the social protection policies to reduce poverty in the European Union, which led to the impact of European Structural Funds. On their paper they applied Stochastic Frontier Analysis (SFA) to examine poverty gains in European Union using data from Euro stat and the World Justice Project. Their results indicated that more than a lack of resources, the main problem was the inefficiency of social protection expenditure to contribute and once the

expenditure on social protection will lead to poverty reduction so this would cause the standard of living to be high and automatically social welfare promotion, increase efficiency more widespread adoption of means - tested in allocation of benefits.

Zheng's (2009) study was on the Social Security and Minority Economic Development. He surveyed different areas in China meanwhile he concluded that Social security has played a positive role in promoting the economic development and a great significance for the economic reform and development in the western minority areas. Therefore, to make the socialist market economic system run and develop well, it becomes necessary to establish and improve the corresponding social security system, to redistribute social wealth through government and public organizations. With the development of the market economy in the western region and the increasing advanced social productive forces, social security objects should be expanded from urban workers to rural residents as well as all members of a society in this case it will lead to employment, poverty reduction, high standard of living, health and education facilities.

2.4.3 Empirical Studies from Tanzania

Ezra and Kwai (2015) studied the contribution of NSSFs to income poverty reduction in Tanzania by examining activities undertaken by NSSFs that can lead to reduction of income poverty; comparing income levels between NSSF's members and non-members; determining the impact of NSSFs to household's income poverty reduction, and exploring community's attitude towards NSSFs. They used descriptive method and multiple linear regression method to draw conclusion. The findings indicated that NSSFs provide financial and non-financial services which

include shares, investment opportunities, savings, loans and training on entrepreneurial skills. Using multiple regression method the study assessed independent variables like education level, habit of saving, household size and whether clients received any entrepreneurial training against household income as dependent variable. The findings indicate that the impact of NSSFs to income poverty reduction is significant which imply that NSSFs play a critical role to income poverty reduction. It was concluded that for any addition training to a person, the more he/she gain skills of operating projects efficiently. The findings have been supported by URT (2007) that those regions with high entrepreneurial skills experience high development. Similar result was observed on saving habit which indicates a positive impact to income poverty reduction.

The study by Urassa and Kwai (2015) focused only on reduction of income poverty disregarding non-income using a dummy multiple regression method. This study covered both income and non-income poverty incidences at the household level using multiple linear regression.

Magali (2013) applied multivariate regression analysis to assess whether rural NSSFs in Tanzania are sustainable using a sample of 3 NSSFs in Morogoro, Dodoma and Kilimanjaro. The study revealed that 46% of Social security funds in Tanzania especially in Eastern and central zone were not sustainable because they accumulated large amount of None Performing Loans and they did not issue new loans from 2006 -2013. The study further revealed that savings and deposits to total assets influenced the outreach negatively while cost per borrower influenced the outreach positive. On the other hand, loans cost per borrower and influenced the sustainability. It was

further concluded that positive sustainability Social security funds means its ability to sustain cash flow generation to its members with a focus to alleviate poverty. However, the study based only on NSSF morogoro branch without a touch other social security funds in terms of sustainability and influence in poverty reduction.

To the best of my knowledge, there are only few empirical studies focusing on the impact of financial skills and goals orientation variables as key roles of NSSF in Tanzania. Aziakpono (2013) used Non-parametric data envelopment analysis (DEA) to measure technical, pure technical and scale efficiency of Saving and Credit Cooperatives (NSSFs) in Tanzanian and find that average efficiency scores for technical efficiency, pure technical efficiency and scale efficiency were 42%, 52% and 76% respectively. Also they find that few funds were relatively less efficient compared to other funds.

Suzy (2001) conducted an assessment on the role of social security funds in poverty reduction in Tanzania and found that social security funds has been further improved by the financial sector reforms.

2.5 Research gap

The theoretical and empirical literature reviewed shows that many studies have been conducted to determine the contribution of NSSFs on income poverty reduction in Tanzania and outside. The literature has demonstrated that most scholars in Tanzania examined the roles and challenges of the NSSFs while few scholars analyzed the contribution (Magali, 2013). The contribution and income poverty reductions were analyzed using logistic regression model. In general there is a high recognition that National social security funds contributes to income poverty reduction. However,

despite all these efforts, poverty incidence in Tanzania remains a challenge. The studies conducted based on contribution approaches and reduction of income poverty reduction. Other important variables like saving mobilization, Loans, Mother maternity leave, Healthy insurance, and investment are not researched and a lot remains to be desired in Tanzania. Specifically, the objective of the study was to examine the contribution of National social security funds on individual income poverty reduction including the empirical relationships between income and poverty reduction.

Table 2.1: Empirical reviews for different countries

Variables	Country	Methodology	Findings	Author(s)
Standard of living, GDP, employment and poverty Alleviation.	Pakistan	Descriptive Statistical tools.	GESWNCO has played a vital role towards socioeconomic development through using its scarce resources	Kifayat et al. (2015)
Poverty reduction High standard of life Welfare promotion	Europe	Stochastic Frontier Analysis (SFA)	Significant role in reducing poverty and improve Standard of living.	Niza et al. (2014)
Economic development, GDP, social welfare, health, education and employment	South Africa	Empirical techniques such as randomized controlled trials	Improve local economic development in the areas where the poor live	Durieux (2010)

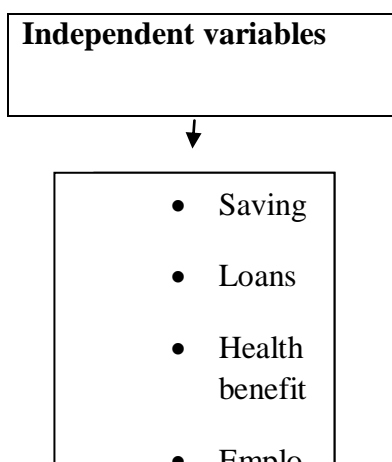
Standard of life Welfare Education Health care	East Africa	Survey, records, Statements and case law.	Benefits must be adequate to ensure standard Of life, health care and so on.	Barya (201
Reduce poverty Economic Growth.	Kenya	The study employs descriptive statistical tools	Social security reduces vulnerability and human suffering in populations that rely on agriculture for food, income and employment	Omiti et al. (2007)
Poverty alleviation Standard of living Economic growth	Tanzania	Literature review Interviews Discussions	Old age income security is a key To realizing NI such as poverty alleviation, standard of life and high income	Daniel et al. (2010)

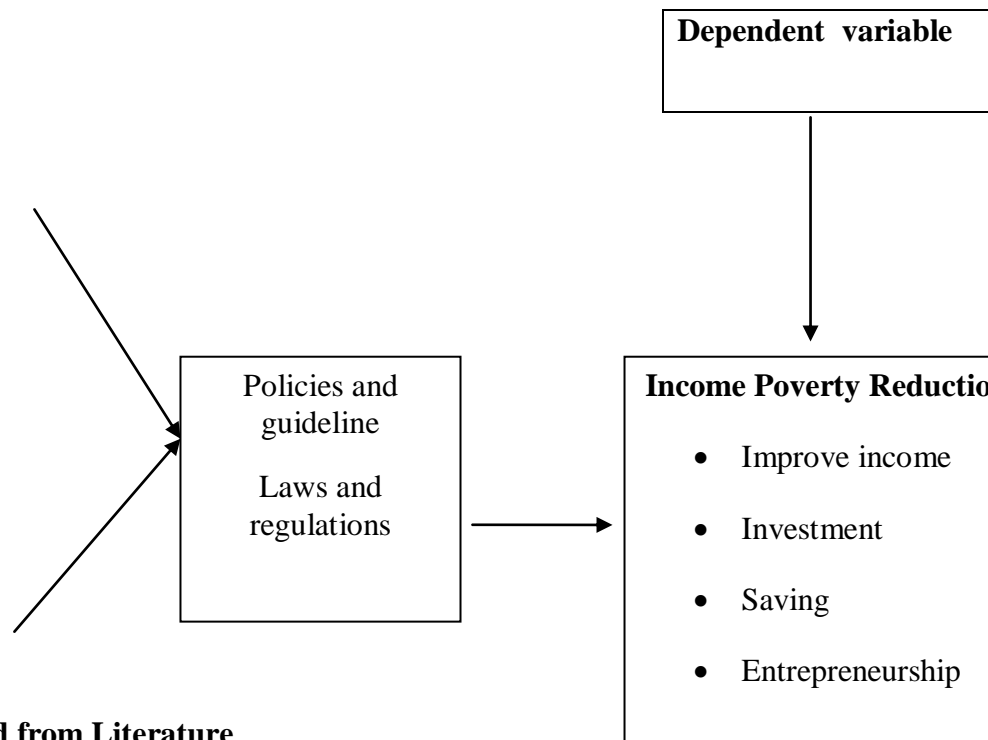
Poverty alleviation GDP	Tanzania	Survey	Social protection should be used if the country is serious to reduce the numbers of its citizens living in Poverty.	ILO (200
Poverty alleviation GDP Welfare	Tanzania	Descriptive statistical tools	Some options for social protection mechanisms to reduce income	Kateraet a (2005)

2.6 Conceptual framework

Purpose of this section is to describe the relationship between and among concepts of social security fund institutions. Basing on the objectives of the study conceptual framework aimed at showing the relationship between different variables in relation to national social security fund. Figures I below show the relationship between independent variable which is NSSF, intermediate variable these are policies and guidelines guiding social security funds institutions and dependent variable this are services and benefits provided by NSSF to its members in relation to income poverty reduction.

Figure 2.2: Conceptual framework





Source: Self adopted from Literature

2.6.1 Discussion of the conceptual framework

Independent variables: Independent variable is the variable that can be controlled and manipulate. In this study the independent variables were:-

Investment: This is a moderating variable. Investment is an asset that is purchased with the hope that it will generate income or appreciate in the future. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price. Beneficiaries invest skills and finances in productive assets that have a probability of reducing both income and non-income poverty.

Dependent variables: A dependent variable is a variable to be measured in the experiment or what is affected during the experiment. The change in dependent variable is due to change in independent variable(s). In this study, the dependent variable is income poverty reduction

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Chapter Overview

This chapter presents the research philosophy, empirical model and data specification, design used in the dissertation, study area, data types and sources, target population, sample size used, data collection methods, how data were analyzed and measurement of variables. To this section the researcher delves into research methodology itself being a way to systematically solve the research problem; a science of studying how research is done scientifically. (Kothari, 2004) In line with

the foregoing discussions, inter alia, this chapter depicts how and where the actual research took place and the approaches by which field work was conducted. Starting with a research philosophy which underpins the study, it is then followed by expounding research design, survey population and area of the study, sampling design/size, data collection instruments and their sources. This chapter closes by explaining how data was analyzed and presented; giving a summary of techniques/methods used in data processing and analysis, thereby giving out results of the study in reasonable grounds.

Linearity between dependent and independent variable(s) . Linear regression needs the relationship between the independent and dependent variables to be linear (Gujarat and Porter, 2010). If the two variables are non linear, the results of the regression analysis will under-estimate the true relationship (Gujarat, 2010). Pearson correlation coefficient test was used to check for linearity because it indicates the strength of linear relationship between variables. If conditional mean of Y given X, denoted $E(Y/X)$ is not linear, the correlation coefficient will not determine the form of $E(Y/X)$.

Where by equation will be,

$$PR=f(X_1+X_2+X_3+X_4+X_5+X_6).....X_n$$

RR= Poverty Reduction

X=Variable (Loans, Saving, Investment, Pension, Health insurance....)

$$PR=Co+Bi$$

Whereby,

Statement of hypotheses GDP = f (Roles of NSSF), GDP = f (DP, SL, I and C)

Whereby;

GDP = Gross Domestic Product, DP= Development Project,

SL= Standard of living, I = Investment, C= Contribution

The multinomial logistic regression model In this case the multinomial logistic regression model is defined by the following assumptions: Observations Y_i are statistically independent of each other Observations Y_i are a random sample from a population where Y_i has a multinomial distribution with probability parameters: $\pi^{(0)}_i, \pi^{(1)}_i, \dots, \pi^{(c-1)}_i$ so that with binomial logistic regression, we have to set aside one category for a base category (hence the $C - 1$ parameters π).

At the center of the multinomial regression analysis is the task estimate in the $k - 1$ log odds of each category. In our $k = 3$ computer game example with the last category as reference multinomial regression estimates $k - 1$ multiple linear regression function defined as

$$\text{logit}(y=1) = \log\left(\frac{p(y=1)}{1-(p=1)}\right) = \beta_0 + \beta_1 \cdot x_{i2} + \beta_2 \cdot x_{i2} + \dots + \beta_p \cdot x_{in} \text{ for } i = 1 \dots n.$$

$$\text{logit}(y=2) = \log\left(\frac{p(y=2)}{1-(p=2)}\right) = \beta_0 + \beta_1 \cdot x_{i2} + \beta_2 \cdot x_{i2} + \dots + \beta_p \cdot x_{in} \text{ for } i = 1 \dots n.$$

β_0 is the value of dependent variable when the value of explanatory variables is equal to zero while β_i refers to coefficients of independent variables used in this study. Therefore the Multiple regression models were specified as follows:-

$$PR = \beta_0 + \beta_1 L + \beta_2 S + \beta_3 GO + \beta_4 FS + \mu$$

The symbol ‘ μ ’ is the error term. It was added to a regression equation to introduce all the variation in dependent variable that cannot be explained by the included explanatory variables. Goal orientation was a dummy variable which was treated as 1= beneficiaries focus on goals and 0= beneficiaries goal divergence.

Multi-collinearity in the data. Multi-collinearity occurs when the independent variables are not independent from each other (Gujarat, 2010). A second important independence assumption is that the error of the mean has to be independent from the independent variables. Presence of multi-collinearity makes it impossible to estimate the parameters of the model (Gujarat, 2010). Multi-collinearity was checked using Tolerance – the tolerance measures the influence of one independent variable on all other independent variables; the tolerance is calculated with an initial linear regression analysis. Tolerance is defined as $T = 1 - R^2$ for these first step regression analysis. With $T < 0.1$ there might be multi-collinearity in the data and with $T < 0.01$ there certainly is. The second test performed was Variance Inflation Factor (VIF) defined as $VIF = 1/T$. Similarly with $VIF > 10$ there is an indication for multi-collinearity to be present; with $VIF > 100$ there is certainly multi-collinearity in the sample

Autocorrelation in data. Autocorrelation occurs when the residuals are not independent from each other (Gujarat, 2010). In other words when the value of $y(x+1)$ is not independent from the value of $y(x)$. This for instance typically occurs in stock prices, where the price is not independent from the previous price. Durbin-Watson's 'd' test was used to check for autocorrelation While 'd' can assume values between 0 and 4, values around 2 indicate no autocorrelation. As a rule of thumb values of $1.5 < d < 2.5$ show that there is no auto-correlation in the data, however the Durbin-Watson test only analyses linear autocorrelation and only between direct neighbors, which are first order effects (Gujarat, 2010).

3.2 Research philosophy

A research philosophy is all about the way in which data about a phenomenon or a problem ought to be amassed, analyzed and used. It is the approach to understand and write the knowledge that is gained by conducting the research (Dissertations Help Service, 2016). Guba (1990, p.17), defines it as “a basic set of beliefs that guide action”. Galliers (1992) posits that it further clarifies the process of transforming things believed (opinion) into things known (knowledge): doxa to episteme.

There are three types of research philosophies in research paper; positivism, interpretive and critical. (Mackenzie & Knipe, 2006) The main two philosophies used in research are positivism and interpretive. The positivist studies generally attempt to test theory (Myers, 1997; O'Leary, 2004, p.5). and are most commonly aligned with quantitative methods of data collection and analysis; and so they are usually qualitative research.(Creswell 2014; Mackenzie & Knipe 2006) In interpretive , rather than starting with a theory (as in postpositivism), inquirers

generate or inductively develop a theory or pattern of meaning. An interpretive approach to social research would be much more qualitative, using methods such as unstructured interviews or participant observation. With this approach, the point is to gain in-depth insight into the lives of respondents, to gain an empathic understanding of why they act in the way that they do (Thompson, May 18, 2015)

As per Iran, Grieve and Race (1999), the choice between positivism and interpretive has an impact on the empirical research strategy, since the former dictates that the researcher takes the role of an observer, whilst the latter dictates that the researcher gains knowledge by participating in the subject of the empirical study. Thus, for the purpose of this research, the interpretive philosophy was prioritized. The justification for this choice is based on the fact that the aim of this research is to allow concepts to emerge from field data, using documentation, interviews and questionnaires, with regards to the factors that affect the implementation of H&S practices, which requires participation in the subject of study. Nevertheless, this research attempted to avoid what may be depicted as methodological monism, the insistence on using a single research method. It is as such deduced that, all methods are valuable especially when used appropriately and managed carefully by considering elements of both the positivist and interpretive approaches. (Al-Khouri, 2007)

3.3 Research Design

This study used both quantitative and qualitative techniques in data Collection; of course the reason to use qualitative technique was because it needed descriptions and other oral evidences from the respondents. Furthermore, most of the respondents were semi - illiterate. On the other hand, quantitative data collection method

(questionnaires) was designed to give the insights of the contribution of National Social Security Fund to socio- economic development in Tanzania.

Survey population

The targeted populations for this study comprise D of total of 80 respondents including 10 NSSF employees, 10 students, 25 members, 25 non members and 10 people who lived at the area of the project. Khan, (2006) defines target population as a group of individuals who have one or more characteristics in common that are of interest to the researcher.

3.4 Scope of the study

This study focus on how national social security fund has been able to contribute in improving the livelihood of people specifically in Morogoro region. In terms of content of the study special attention will be paid on socio economic benefits obtained from activities undertaken by national social security fund, in improving social well being and economic development of Morogoro region at large.

3.5 Data Types and sources

This research employs both secondary and primary data/information extracted from various source. Both data source were used because there is no single source of information that provides a comprehensive and complete perspective on a study (Merriam, 1998)

3.6 Study population

In analyzing the contribution of NSSs on income poverty reduction, the focus was on members who are beneficiary by NSSF services. The population included the beneficiaries from NSSF.

3.7 Sample size

Sampling size based on computation of this formula $[n = \frac{N}{1 + N(e)^2}]$ Whereas; n =sample size, N =total population, constant and e =% error. Sample size of 80 people was exploded in a study area, Morogoro Region. The total numbers of people were demarcated into small units of samples; table 1 provides the summary of distribution of the sample size.

Where n^* is the sample size, N^* is the population size, and e^* is the level of precision.

When this formula is applied to the above sample, we get

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{100}{1 + 100(0.05)^2} = 80 \text{ respondents}$$

Table Sample survey data collection

S/N	Category of respondents	Calculations	Expected sample size
1	NSSF employees	$(6/100) \times 80 = 5$	5
2	Students	$(10/100) \times 80 = 8$	8
3	Members	$(25/100) \times 80 = 20$	20

4	Non –members	$(25/100)*80=20$	20
5	People live around the morogoro municipal council	$(43/100)*80=27$	27
6	TOTAL		80

Source: Field data, 2018

3.8 Data collection

Structured questionnaire and in-depth interviews was the main techniques of data collection from respondents to extract required information to accomplish the overall objective of this study. The questionnaire was used due to its strength of capturing empirical data in both formal and informal setting. In depth interviews are those interviews that are designed to discover underlying motives, desires and feelings of respondents (Kothari, 2007). In other words, in depth interviews aimed at eliciting understanding, feelings and perspectives of interviewees' and also other types of material related to personality dynamics and motivations. A set of questions or issues to be exploded in the course of the in-depth interview were developed.

3.8.1 Primary Data

In order to capture quantitative and qualitative information, interview, in-depth interview and observation techniques were employed to extract these data or information.

3.8.2 Secondary Data

Various source such as published and unpublished report, books, pamphlets, journals, websites, NSSF staffs in various departments and members were accessed as a source of secondary data.

3.8.3 Data Processing, Analysis and Presentation

3.8.3.1 Data Processing

The computer software, Statistical package for Social Sciences (SPSS, Version 16.0) was used for data processing. All the data should, with few exceptions, be recorded using numerical codes. This will enhance enter the data quickly, with few errors (Saunders et al, 1997). Each question on the questionnaires was coded for each possible response. Coding was done to convert the variables and their separate levels into numbers.

3.8.3.2 Data analysis

In this study quantitative was compiled and analyzed. The statistical Package for Social Science (SPSS) was used for analyzing the quantitative data. Data from in depth interviews, referring to development activities done by NSSF that contributes to income poverty reduction were analyzed by using content analysis approach.

3.8.3.3 Variables and Measurement procedures

Table 3.1: Measurements of variables

Types of Variable	Name of Variable	Definition of variable/Measurement
Dependent Variable	Poverty reduction	Improved income, self employment and improvement of social services, Investment, Saving
Independent Variables	Loans Savings	Amounts of NSSFs loans provided to clients

Goal Orientation	Deposits made by clients Percentage of beneficiaries who received training goals setting before borrowing and the extend they ha implemented those goals 5 Items Likert Scale will be used
Financial skills	Percentage of beneficiaries who received training in financial skills before borrowing 5 items Likert scale will be used

Source: **Author (2018)**

3.8.3.4 Data Presentation

Findings were later presented in tables, cross tables and statistical charts, Multi collinear and Linier regression as the outcomes of contribution of National Security Fund to income poverty reduction of workers and community at large in the study area.

CHAPTER FOUR

4.0 FINDINGS AND RESULTS

4.1 Chapter Overview

This chapter presents the analysis and discussion of the findings of the study based on the research questions and objectives of the study. First, characteristics of the respondents including age, marital status, sex, occupations, distribution of occupation by gender and education level are presented. Then, the discussions on the NSSF activities and its impact on income poverty reduction are presented. Lastly, the conclusion and recommendation are presented for further improvement.

4.2 Validity and reliability analysis

Validity and reliability are closely related terms. Validity according to Maxwell (1996) refers to correctness or credibility of a description, explanation, interpretation, account or conclusion. In the same line, Otto & Larson (in Ballinger, 2000) state that validity refers to whether the variables “measure what they are intended to measure”. Three validity tests were identified namely criterion, content and construct validity. As for reliability, this refers to the degree to which the same results would be obtained in repeated attempts of the same test (Ballingers, 2000).

To ensure validity, the researcher used structured interviews which allowed the researcher to cross check the accuracy of the information provided previously.

To test the reliability of data collection instruments Cranach's Alpha was used to measure the internal consistency by the use of SPSS. Cranach alpha ranges between 0 and 1 (Grayson, 2004). The closer the Cranach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale (Grayson, 2004).

Table 4. 1: Reliability analysis.

Variables	Cranach's alpha	Number of items
Loans	0.821	8
Savings	0.875	3
Investment	0.755	4
Income	0.930	4

Source: Primary data

Table 4.1 illustrates the results of reliability test using Cronbach's alpha approach. According to Nunnery (1978) and Grayson (2004) reliability coefficient of 0.7 or higher is considered acceptable in most social science research situations. George and Mallery (2003) established the rule of thumb indicating that a Cronbach's alpha greater than 0.9 means excellent consistency, greater than 0.8 means good consistence, 0.7 means acceptable, 0.6 means questionable, greater than 0.5 means poor and less than 0.5 is unacceptable.

The analysis presented in Table 4.1 indicates the reliability coefficients of loans and savings are very good while the reliability coefficient of goal orientation variable is good which implies that probably few items could be improved. However, the reliability coefficient of income is 0.93 indicating that the reliability is excellent at

the level of the best standardized tests. Therefore both variables indicate a strong internal consistency of instruments used in data collection.

However, a high value for alpha does not imply the measure is unidimensional. If in addition to measuring internal consistency, you wish to provide evidence that the scale in question is unidimensional, Explanatory Factor Analysis is one of methods of checking dimensionality. Cronbach's alpha is a coefficient of reliability or consistency

4.3 Descriptive statistics

This part presents the main characteristics of respondents categorized as sex, age, status, level of education, loan utilization, and responses on Loans, Responses on Savings, entrepreneurial skills, Investment and Income improvement.

Descriptive statistics was used to provide simple summaries about the sample and about the observations that have been made. Such summaries may be either quantitative that's summary statistics or visual, that's simple-to-understand graphs. These summaries may form the basis of the initial description of the data as part of a more extensive statistical analysis, or they are sufficient in and of themselves for this research work.

The use of descriptive and summary statistics has an extensive history and, indeed, the simple tabulation of populations and of economic data was the first way the topic

of statistic appeared. More recently, a collection of summarization techniques has been formulated under the heading of exploratory data analysis.

4.4 Characteristics of the Respondents

4.4.1 Age of the Respondents

Referring to the age of the respondents, the findings shows that 3(3.75%) of respondents were below 20 years old, 36(45%) were aged between 20 to 30 years old, 21(26.25%) were between 31 to 40 years old and 10(12.5%) were 40 and above years (Table 2). These findings indicate that more than half 10(12.5%) of respondents aged ranged between 20 to 50 years old. These imply that this category of respondents is a young population and provide more support to their families due to the fact that it's the productive age. These findings concur to those reported by the population and Housing Census (2002) which showed that the Population of Tanzania has increased from 23.1 million in 1988 to 34.4 million in 2002, currently is about 39 million with an average growth rate of 2.0 percent per annum. The proportion of the population aged below 15 years was about 44 percent while those aged 65 years and above was 4 percent, indicating that Tanzania has larger percent of young population of about 52 percent.

Table 4.2: Respondents by age

Age group	Frequency	Percentage
Below 20 years	3	(3.75%)
20-30	36	(45%)

31-40	21	(26.25%)
41-50	10	(12.5%)
51 Above	10	(12.5%)
Total	80	(100.0%)

Source: Field data, 2018

4.4.2 Respondent by Gender

Gender refers to the social constructed roles and responsibilities for women and men in a given culture or location (URT, 2008). Table 4 shows that 49(61.2%) of the respondents were males and 31(38.8%) were females. These findings shows that more than half of respondents 22.4(28.0%) were males. These findings imply that more members of NSSF are male than females, these findings are consistent to those reported by World Social Security Report that in developing countries many members of Social Security Funds Institutions are male than females. On the other hand, following that many members of NSSF are employed under formal employment sector, previous studies have shown the between 2000/01 and 2005/06, the share of the public sector in total employment has increased slightly from 2.7% to 2.8% and males' accounts for 10.7% while females 12.6% (PHDR, 2007).

Table 4.3: Respondent by gender

Sex of Respondent	Frequency	Percentage
Male	49	(61.25 %)
Female	31	(38.75%)

Total	80	(100%)
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Source: Field data, 2018

4.4.3 Marital Status of the Respondents

The study find out the marital status of the respondents in the study area and the results shows that 14(20.0%) of respondents were single. 55(78.6%) were married while 1(1.45) were widowed and 10(12.5%) were Widower (Table 5). These findings are supported by findings from the Household Budget Survey (2007) which shows that (59.7%) of the adult aged fifteen years and above were married while (28.2%) were single in Tanzania by 2007, widowed were (6.2%) while (5.8%) were divorced. But also The Population and Housing Census (2002) has shown that 24 percent of the total female population were married while married males accounted for 21 percent of the total male population. Also female marry at a relatively earlier age than males. While the country's singulate mean age at first marriage is 23.3 years, that for males is 25.8 years and for females it is 21.1 years. In the rural areas both males and females marry much earlier than the national average age of first marriage. But in the urban areas it is the opposite for they marry at a later age than their rural counterparts. The singulate mean age at first marriage in the urban areas is higher than the nation average for both males and females, which are 28 and 23.3 years, respectively.

Table 4.4: Respondents by marital status

Marital status	Frequency	Percentage
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Married	55	(78.6%)
Single	14	(20.0%)
Widow	1	(1.2%)
Widower	10	(12.5%)
Total	80	(100%)

Source: Field data, 2018

4.4.4 Education level of the respondents

By taking into account that education is the pillar for our national development, the study explored information on level of education of NSSF members, the results show that 32(45.7%) of respondents completed primary school education, 30(42.9%) has secondary school education, and 8(11.4%) have post secondary / university (table 6). These findings are supported by those of URT(2007) which reported that the net enrolment rate for primary schools by 2007 were 97.3% and 20.6% for secondary schools. But also according to NSGRP (2005) most indicators in education have registered improvement in the three years of PRSP as a result of implementing the primary education development programmer (PEDP). Gross enrolment rate reached 105.3 percent and 106.3 percent in 2003 and 2004 is 88.5 percent and 90.5 percent respectively, compared to 58.8 percent in 1990. However, the pace of transition to secondary schools is low, despite the growth of private secondary schools.

Table 4.5: Respondents by education level

Education level	Frequency	Percentage
Primary school	32	(45.7%)
Secondary school	30	(42.9%)
Post secondary/University	8	(11.4%)
None	10	(12.5.0%)
Total	80	(100%)

Source: Field data, 2018

4.4.5 Membership period with NSSF

When asked to respond on the period of membership with NSSF, responses show that about 35(50%) of respondents are involuntary and seasonal members that is 2-4 years (figure 2), this findings conform to the studies of Wangwe and Tibandebage (2003) which shows education provided by social security fund institutions to the community concerning the importance of social security services has lead to the massive increase of involuntary members which in most cases are seasonal members. But also about 4(5% of members of one year, 35(43.8% are of 5-10 years, while 20(25%) of members are of more than ten years and 3(4.3%) are less than one year and 2(2.9%) were not member of NSSF. However, these findings are slightly different from those reported by national social security policies (2003) that about 70% of NSSF member's males and females are employed under formal employment scheme; this is due to seasonal nature of jobs at various factories in Morogoro region.

Table 4.6 for how long you have been a member of NSSF

Education level	Frequency	Percentage
1 Year	6	(6.25%)
2-3 Years	20	(25%)
5-10 years	35	(43.75%)
More than 10	19	(20. %)
Total	80	(100%)

Source: Field data, 2018

4.4.6 Respondents Occupation by Gender

Gender and population at large profound influence on many development frontiers, including health, education and poverty (URT , 2006). These study explored information on gender and the results showed that about 26(37.1%) male and 15(21, 4) female are employed while 9(12.9) male and (8.6) female are involved in businesses (Table 3). Lastly, 12(18.7%) male and 2(2.8%) female are involved in other activities apart from formal employment and business. These activities are farming, local arts and informal sector employment. These findings shows that most of the respondents 41(58.6%) both male and female are employed. These findings are also supported with those reported by the National Social Security Policy (2003) that about 70% of NSSF member's males and females is employed under formal employment scheme. However, these findings are slightly different to those reported by the integrated Labour Force Survey 2000/01 which indicates that the active labour force was 17.8 million. Estimate shows that between 650,000 and 750,000 persons

have been entering the labour force every year. Employment analysis shows that, the agricultural sector, the informal sector and the formal private sector employ more persons. This imply that although many members of NSSF are employed under formal employment sector but still the rate of people employed under formal employment sector in Tanzania is very low.

Table 4.7: Distribution of occupation by gender

Gender of Respondents	Occupation					Total
	Farmer	Business	Employed	Informal sector	Local arts	
Male	2(2.9%)	9(12.9%)	26(37.1%)	9(12.9%)	1(2.9%)	47(67.1%)
Female	10(12.5.0%)	6(8.6%)	15(21.4%)	1(1.4%)	1(1.4%)	23(32.9%)
Total	2(2.9%)	15(21.4%)	41(58.6%)	10(14.3%)	2(2.9%)	80(100.0%)

Source: Field data, 2018

4.5 Beneficiaries Loans Utilization

Table 4.8: Client's opinion on loan utilization

Items	N	Mean	Std. Deviation
Loans are used to finance education	80	6.55	2.239
Loans are used to improve home	80	4.35	2.477
Loans are used to start new business	80	6.57	2.259
Loans are used to expand existing business	80	6.15	2.312
Increase assets of the business	80	6.57	2.338
Valid N (list wise)	80		

Source: Primary data

4.6: Clients responses on the impact of savings on poverty reduction

Table 4.9: Responses concerning impact of savings on poverty reduction

	N	Mean	Std. Deviation
Savings has increased income of beneficiaries	80	6.28	2.109
Savings has improved social services of respondents	80	6.43	2.259

savings has created self employment	80	6.43	.831
Valid N (list wise)	80		
Source:	Primary data		

4.5 Activities contribute to income poverty reduction

Respondents were asked to respond on the question which says on which ways do they think NSSF activities can contribute to income poverty reduction, majority 40(57.1%) said through loan provision to members can contribute to income poverty reduction, this will enable members to have capital and them to start business ventures hence income poverty reduction (figure 3), 21(30%) said development projects conducted by NSSF can contribute to income poverty reduction because they provide employment to local people proving an example of NSSF housing construction projects which has employed a thousands of people this enable them to increase their income, and 9(12.9) said saving of members income can contribute to income poverty reduction this can be though investing the money in income generating activities hence income poverty reduction. These findings reveal that, if funds from NSSF members are invested in income generating activities can contribute to income poverty reduction. Also these findings are supported with those reported by Morogoro region has been improving over the period of time reached to 337, 032 in the years 2007 this has been mostly contributed by various development activities like agriculture and trade but also loan provided to people through, social security fund institutions and microfinance institutions available within the region, as well as massive increase of income generating activities like small business.

4.5.1 NSSF investment and income poverty reduction.

Respondents were asked to provide their views on the contribution of NSSF investing in various portfolios in relation to income poverty reduction, majority of respondents 65(92.9%), said investment of fund particularly in loan provision to small scale and medium enterprises can contribute to income poverty reduction through providing opportunities for business people to expand their business and start new ventures while at the same time providing employment to local people, 5(7.1%) their response on the same question said no (figure 4). These findings are supported with those reported by ILO (2009) that in recent year's social security fund institutions in Tanzania has increased investment of fund in various development projects and provision of micro loan to small business enterprises as well as lending various government institutions and therefore cause significant contribution to country development. But also NSGRP (2005) said that the private sector particularly domestic and foreign investment has an important role to play in achieving poverty reduction outcomes because of its central role as the engine for economic growth. The government is reducing its role to core functions of policy formulation, economic management, provision of economic and social infrastructure, and legal and regulatory framework, maintenance of law and order as well as selected areas of public-private sector partnership. The factor that hinders the active private sector participation in his economy will be addressed through trade and investment policies.

As depicted in the Table 4.3 above beneficiaries agreed that NSSFs loans are used to finance education. The mean score was ≈ 4 and the standard deviation equals to 1.239

showing a significance agreement that loans accessed were used to finance education. However, respondents disagreed those NSSFs loans are used finance improvement of homes. This is justified by a mean score of 2.35 and standard deviation equals to 1.477 which is the highest among all.

Furthermore beneficiaries have agreed that they used loans to start new business and investments that increased assets of the business. The means scores were both 3.57 and standard deviations were 1.29 and 1.338 respectively. The Table 4.6 shows that beneficiaries were neutral about the use of loans to finance expansion of existing business as indicated by the mean score of 3.15 and standard deviation 1.312.

Table 4.10: Contribution of NSSF activities on income poverty reduction

Description	Number of Respondents	Frequency	Percentage
Do NSSF activities contribute to income poverty reduction?	Agreed	42	(52.5%)
	Disagree	28	(35%)
None	I don't know	10	(12.5%)
Total		80	100%

Source: Field data, 2018

4.5.2 Contribution of NSSF to its Workers Living Standard

Responses from ten selected sample of NSSF workers were asked to provide their opinion on how the fund has been able to improve their lives for the whole period which they have been in service with NSSF, The result indicates that NSSF has made contribution to increase social status and improve the life standard of their workers. 1(10%) of respondents argue that NSSF have been improving their life standard through conducting frequently trainings to workers on social matters as well as social security issues, 6(60%) providing loan to workers and 3(30%) financing career development like special courses, and workers who are interested to develop their education career. The findings are consistence with those reported by NSSF annual report explained by the NSSF Deputy Director General, that the Fund's successful investment policies were focused on helping the government to enhance poverty reduction through a strategic alliance in various sectors of economic development like education, health, infrastructure and social services.

4.5.3 Contribution of entrepreneurial skills on poverty reduction.

The specific objective was to examine whether NSSFs provide entrepreneurial skills to their clients and its contribution in poverty reduction. The beneficiaries interview agreed by 32.5 percent that NSSFs provide entrepreneurial skills and the remaining 67.5 percent said no. This result implies that NSSFs have not done enough to provide entrepreneurial skills to beneficiaries. This result is in line with the study by School (2006) who argued that there is lack of job training focusing on technical aspects of starting up a business, project formulation and administration and management. Entrepreneurial skills complement to capital and in increasing the

productivities of the borrowers. Mwangi (2013) argued that borrowers with such skills are likely to make wise investments compared to those borrowers without them. The effect of inadequate provision of entrepreneurial skills is evidenced by beneficiary's goal divergence equals to 47.5 percent which retards the effort to fight against poverty. Therefore it has been found that NSSFs provide entrepreneurial skills although at a very small rate.

The results of regression model show that financial skills has positive coefficient of 0.245 meaning that financial skills have a positive contribution in poverty reduction. This conclusion is in line with the studies done by Chigunta (2002) who concluded that besides finance, entrepreneurs need to know how to develop a business plan, business management, financial management, time management, stress management, improving sales, managing and reducing costs, debt recovery techniques, stock control techniques, marketing and recruitment.

This findings reveal that financial skills are not only necessary to ensure investors choose projects with high yield but also sufficient to achieve poverty reduction.

Further it was found that beneficiaries had not been assisted by NSSFs in areas of financial management, preparing profit and loss statements, balance sheet statement, recording business transactions, preparing budget for business activities and preparing business plans. The same has been recommended by Ossian (1988) that NSSFs are providing credit schemes to the beneficiaries and training them how to repay it with less concentration in provision of entrepreneurial skills.

4.5.4 Awareness on social security matters

The result of this study reveals that there has been an increase in the level of public awareness on the social security system in respect of benefits offered, coverage, investments and general operation of the sector. Respondents we asked if they have an idea on services provided by social security fund institutions and how did they acquire the idea, 51.25(100%) of the respondents are aware of services provided by social security fund institutions (table 7) and many of them about 39(55.7%) acquire the idea through their employment, 9(12.9%) through seminars to business people on social security services, while 8(11.4%) reading brochures and fliers and 12.5 none of them d know anything going on. These findings imply that many people acquire ideas on services provided by social security fund institutions through as when they are employed. These findings are consistence with the findings from world social security report (WSSR), 2010/11 that the coverage of statutory social security scheme in developing countries has been increasing from 14% in 2002 to 27% in 2010 (ILO,2010). Is with this reason currently social security fund institution have extended their services to cover people who are not in a formal employment sector in order to increase awareness to people on matters relating to social security services.

Table 4.11 Clients views on impact of loans on poverty reduction

Table 4.11: Summary of responses concerning impact of loans in poverty reduction

	N	Mean	Std. Deviation
Income of respondents has increased	80	3.60	1.236
Social services has improved	80	3.62	1.170
Beneficiaries have gained self employment	80	3.63	1.170
Valid N (list wise)	80		

Source: Primary data

Table 4.12: NSSF membership

Are you a member of NSSF?	Frequency	Percentage
Members	68	(85%)
Non- Members	12	(15%)
Total	80	(100%)

Source: Field data, 2018

4.6 Testing the assumptions of multiple linear regression model

4.6.1 Mult-collinearity test on independent variables

Before running regression, the test of multi-collinearity between independent variables was done. Presence of multicollinearity inflates the variance of the

parameter estimates making them individually statistically insignificant even though the overall model may be significant. In addition multi-collinearity causes problems in estimation of the coefficients of independent variables and their interpretation. The tolerance rate and Variance Inflating Factors (VIF) were used to detect multi-collinearity between explanatory variables as follows:-

Table 4.13: Results of multi-collinearity test between independent variables

Independent variable	Tolerance ($1-R^2$)	VIF (Variance Inflating Factors)
Savings	0.768	1.473
Loans	0.896	1.374
Investment	0.921	1.202
Safety	0.336	1.105
N = 80		

Source: Primary data

Table 4.13 indicates that the tolerance is greater than 0.1 (10%) and the Variance Inflating Factor (VIF) does not exceed 6 to 11. The study concluded that there is no problem of multi-collinearity among explanatory variables. Therefore, the associated regression coefficients are clearly estimated and reliable.

4.6.2 Test of autocorrelation assumption

Table 4.14: Results of autocorrelation test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.633 ^a	.442	.620	13.522	0.637

a. Predictors: (Constant), Respondents focus on improvement of income, Loans, Investment, Savings

b. Dependent Variable: Poverty Reduction

Source: Primary data

Table 4.14 illustrates the results of the test of independence of observations. The test was done using Durbin Watson test. Multiple linear regressions assume that the errors are independent and there is no serial correlation. Errors are residuals or differences between the actual score for a case and the score estimated using the regression equation. No serial correlation implies that the size of the residual for one case has no impact on the size of the residual for the next case. Durbin Watson statistic is used to test the presence of serial correlation among the residuals. The value of the Durbin Watson statistic ranges from 0 to 4 as a general rule of thumb, the residuals are not correlated if the Durbin Watson statistic is approximately 2 and an acceptable range is 1.5 to 2.50.

The results in Table 4.14 show that the Durbin Watson statistic is 2.673 which falls within the acceptable range. It implies that there is no serial correlation of errors and therefore the model was correctly specified.

Table 4.15 Correlation between NSSFs investment and poverty reduction

Table 4.15: Pearson correlation matrix

		NSSFs Investment	poverty reduction
NSSFs	Pearson	1	.326*
Investment	Correlation		
	Sig. (2-tailed)		.080
	N	80	80
poverty	Pearson	.326*	1
reduction	Correlation		
	Sig. (2-tailed)	.080	
	N	80	80

Source: Primary data

Correlation is a term that refers to the strength of a relationship between two variables. Correlation coefficients -1.00 represent a perfect negative correlation while a value of +1.00 represents a perfect positive correlation. A value of 0.00 means no relationship between the variables being tested. Table 4.9 describes the relationship between NSSFs investment and poverty reduction variables. Pearson correlation was used given a two tail test (2-tailed). The results summarized in a Pearson correlation matrix indicate that the correlation coefficient between investment and poverty reduction is positive 0.326. The probability Value (P-value) is 0.040 less than the significance level which is 0.05. NSSFs Investment and poverty reduction move together in the same direction.

4.6.3 Test of homoscedasticity assumption

Heteroscedasticity means presence of error of variance in the linear regression model which is a violation against homoscedasticity variance assumption. Gujarati and Porter (2010) state that heteroscedasticity can be diagnosed by using White Test. According to them, White Test can be done by comparing the value of calculated and observed Chi-square values by using the formula: $\chi^2 = N \times R^2$ whereby χ^2 is the calculated Chi-square, N= is the number of observation and R^2 = R-Square or coefficient of determination. The rule of thumb is: When Chi-square calculated is less than Chi-square observed there is no heteroscedasticity problem in the model. From the data analysis (Table 4.20a) $R^2=0.553$ and $N=80$, therefore calculated while the Chi-square observed at 0.05 level of significance and $N=80$ is 55.758. The result indicate that calculated Chi-square is less than observed Chi-square which imply that the model does not exhibit heteroscedasticity problem

4.6.4 Test of Normality

Table 4.16: Tests of normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Poverty Reduction	.342	80	.000	.795	80	.000
Loans	.173	80	.004	.941	80	.038
Savings	.090	80	.200*	.960	80	.162
Investment	.260	80	.000	.811	80	.000
Respondents focus on goals set	.351	80	.000	.636	80	.000

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Source: Primary data

Table 4.16 shows that the P-value of loans is 0.038 and savings is 0.162 using Shapiro-Wilk test of normality. This probability values are greater than the 0.01 level of significance indicating that the two variables are normally distributed. However, the P-value of financial skills and goal orientation variables are 0.000 respectively less than the level of significance at 0.01. The results show that the two variables are not normally distributed.

According to Gasmen & Zaharias (2012) with large sample size which is greater than 30 or 80 like the sample used in this study, violation of normality assumption should

not cause major problems meaning that sampling distribution tend to be normal regardless of the shape of data.

4.6.5 Checking linearity between dependent and independent variables

Table 4.17: Correlation Matrix between variables to determine the linearity of variables in the model

		Poverty Reduction	Loans	Savings	Entrepreneurship skills	Respondents focus on goals set
Poverty Reduction	Pearson Correlation	1	.402*	.691**	.416**	-.163
	Sig. (2-tailed)		.010	.000	.008	.315
	N	80	80	80	80	80
Loans	Pearson Correlation	.802*	1	.508**	.016	.018
	Sig. (2-tailed)	.010		.001	.920	.911
	N	80	80	80	80	80
Savings	Pearson Correlation	.691**	.508**	1	.255	-.026
	Sig. (2-tailed)	.000	.001		.113	.874
	N	80	80	80	80	80
Income	Pearson Correlation	.416**	.016	.255	1	-.304
	Sig. (2-tailed)	.008	.920	.113		.056
	N	80	80	80	80	80
Respondents focus on goals set	Pearson Correlation	-.163	.018	-.026	-.304	1
	Sig. (2-tailed)	.315	.911	.874	.056	
	N	80	80	80	80	80

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

Table 4.17 shows the analysis to test the linear relationship between variables. To achieve this objective the researcher used correlation matrix to establish whether the included variables were linear or not. Relationship is linear if the difference between correlation coefficient and non-linear correlation is small. The probability associated

with correlation coefficient between loans and poverty reduction is 0.010 while the correlation coefficient is 0.402 larger than the probability. This implies that relationship between poverty reduction and loans is linear. The same applies to the relationship between poverty reduction and savings whereby the correlation coefficient is 0.691 while the probability value is 0.000 indicating that there is linear relationship between the two variables in the model.

The correlation coefficient between poverty reduction and investment is 0.416 while the probability value is 0.008 indicating also that the two variables have a positive linear relationship. However, the correlation coefficient between poverty reduction and income is -0.163 while its probability is 0.315 indicating relationship between the two variables.

4.6.6 Results of regression of independent variables against dependent variable

Poverty reduction was regressed against microfinance services and entrepreneurial skills to estimate the model for explaining the extend microfinance services and entrepreneurial skills have contributed in poverty reduction. Poverty reduction was the dependent variable and microfinance services and entrepreneurial skills were explanatory variables.

To achieve this, multiple linear regressions were done on microfinance services and entrepreneurial skills as explanatory variables of poverty reduction. The components of microfinance service include savings and loans while those of entrepreneurial skills were financial skills and goal orientation. Goal orientation was a dummy

variable which was coded as 1 = beneficiaries focus on goals and 0 = beneficiary's goal divergence. The model was specified as follows:-

$$PR = \beta_0 + \beta_1 L + \beta_2 S + \beta_3 GO + \beta_4 FS + \mu$$

Whereby β_0 is the constant term of the model, β_1 to β_4 are coefficients of independent variables and μ is the error term. The results are presented in Tables 4.15a, 4.15b and 4.15c below:-.

Table 4.17(i): Model Summary

a. Predictors: (Constant), Income improvement, Loans, Investment, Savings

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744 ^a	.553	.502	14.611

a. Predictors: (Constant), Goal Orientation, Loans, Financial skills, Savings

Table 4.17(ii): ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9238.011	4	2309.503	10.818	.000 ^b
	Residual	7471.989	35	213.485		
	Total	16710.000	39			

a. Dependent Variable: Poverty Reduction

b. Predictors: (Constant), Goal Orientation, Loans, Financial skills, Savings

Table 4.17(iii): Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	4.660	13.768		.213	.865
	Savings	.000	.000	.680	3.255	.000
	Loans					
		4.037E-005	.000	.180	.908	.529
	Investment	.330	.111	.245	1.981	.056
	Improve of income	-4.076	3.753	-.064	-.523	.621

a. Dependent Variable: Poverty Reduction

CHAPTER FIVE

5.0 DISCUSSION OF FINDINGS AND RESULTS

5.1 Chapter overview

Descriptive statistics was used to analyze data whereby tables and charts were used to present data. Regression analysis was used to analyze data to establish the extend NSSFs have contributed on income poverty reduction, Multi collinear and Linier regression as the outcomes of contribution of National Security Fund to income poverty reduction of workers and community at large in the study area.

Moreover, correlation analysis was done to test the relationship between income and poverty reduction. This section presents the discussion based on findings as well as what other scholars have said in literature review, using multiple regression method the study assessed independent variables like education level, habit of saving, household size and whether clients received any entrepreneurial training against household income as dependent variable. The findings indicate that the impact of NSSFs to income poverty reduction is significant which imply that NSSFs play a critical role to income poverty reduction.

This discussion of findings was done based on specific objectives as follows:-

5.2 Contribution of NSSFS services on poverty reduction

The first objective was to establish the extend NSSFs National social security fund services contributes on poverty reduction. The variables tested in this area were loans and savings. Majority of respondents agreed that National social security fund services in the form of savings and loans contribute in poverty reduction. Respondents asked commented that loans have contributed to increased income, improved social services as well as generation of self employment. These finding is in agreement with the studies done by Dugan (2000) and Hessian (1989) who commented that loans by NSSFs enables poor people overcome their liquidity constraints and undertake some investments leading to increased income and self employment. However, the findings by Nathan and Banga (2004) have shown that NSSFs is a key policy strategy for poverty alleviation although the services tend to be biased in favour of women and yet poverty cuts across gender. Furthermore, the findings by Khandker (2005) in Bangladesh confirms the results of this study whereby he found that between 1991/92 and 1998/99 poverty in all Villages declined by 17 percent whereby half of this reduction is attributable to saving and credit cooperatives.

The findings has shown that loans are used to finance income generating activities like starting new business as indicated by mean score 3.57 and standard deviation was 1.259, investing to increase assets of business recorded a mean score 3.57 and standard deviation 1.338 and financing education had mean score of 3.55 and standard deviation 1.239. This implies that loans have a strong contribution in

poverty reduction if they are used to finance income generating activities. Similar results are found in the study by Kissy and Urio (2006) using a sample of 352 beneficiaries who concluded that credit empowerment of beneficiaries has a positive impact in poverty reduction. Moreover, Jillian and Kirkpatrick (2001) in the study of financial development and poverty reduction revealed that a one percent change in financial development raises growth in income by almost 0.4 percent.

The coefficient of loans in a regression model when tested against poverty reduction was positive 0.108 which implies that loans contribute positively in poverty reduction. Any increase in loans provided by NSSFs results into poverty reduction by 0.108 units if beneficiaries forgo current consumption to increase future consumption. This finding is also supported by the study done by Hussein (2012) in Parkston using logistic regression model which indicated that there is relationship between levels of loan amount and increase in income of beneficiaries of NSSFs. On the other hand Hermes and Lensink (2007) argued that although NSSFs has a positive impact in increased income, it has not reached the poor. Microfinance is a good strategy for poverty reduction but there is a need to target the poorest borrowers first. It has been stated that loan officers exclude the poor from borrowing because of high risk of bad credit. Jahangir et al (2002) conducted similar study who found that there was a positive and significant relationship between the amount of loans and poverty reduction. Similar findings were observed by Maunder and Wencong (2013) in Bangladesh using multivariate regression model and found that one unit increase in loans amount results in 0.055 decreases in poverty. This indicates that loans have a strong impact in poverty reduction. However, the study by Hague and Masahiro

(2009) in Bangladesh showed contrary results that 71.4 percent of respondents felt that there had no change in their lives styles. Loss of properties for being loan defaulters and burden of ineptness were cited as major reasons for negative effect.

The findings on savings revealed that majority NSSFs beneficiaries are indifferent about the impact of savings in poverty reduction. They were not sure that saving increases income of clients improves social services and helps to create self employment. It was further noted that NSSFs does not put much efforts to provide training concerning saving mobilization. Furthermore, it was found that clients savings are larger than the loans taken which means that beneficiaries lack purpose of saving in fighting against poverty. The results of regression analysis indicate that savings and poverty reduction are positively related. The coefficient of savings in a estimated regression model was positive 0.571 implying one unit increase in savings leads to 0.571 units in poverty reduction. This finding is supported by DFID (2004) that saving mobilization enables the poor to draw down accumulated savings to start microenterprises, which eventually generates more employment, higher incomes and thereby reducing poverty.

The findings in this study indicates that National social security fund service have a strong contribution on poverty reduction evidenced by increased income, improved social services like education and health as well as creation of self employment. This is in agreement with literature review by Lennart (2004) who argued that microfinance services are one way of fighting poverty through savings and loans. In addition the coefficient of determination of regression results of microfinance services against poverty reduction was 0.50 (see Appendix B) meaning that change

in NSSFs microfinance services explains poverty reduction by 50 percent and the remaining 50 percent is explained by variables not included in this study.

5.3 Contribution of entrepreneurial skills in poverty reduction.

The specific objective was to examine whether NSSFs provide entrepreneurial skills to their clients and its contribution in poverty reduction. The beneficiaries interview agreed by 32.5 percent that NSSFs provide entrepreneurial skills and the remaining 67.5 percent said no. This result implies that NSSFs have not done enough to provide entrepreneurial skills to beneficiaries. This result is in line with the study by School (2006) who argued that there is lack of job training focusing on technical aspects of starting up a business, project formulation and administration and management. Entrepreneurial skills complement to capital and in increasing the productivities of the borrowers. Wangi (2013) argued that borrowers with such skills are likely to make wise investments compared to those borrowers without them. The effect of inadequate provision of entrepreneurial skills is evidenced by beneficiary's goal divergence equals to 47.5 percent which retards the effort to fight against poverty. Therefore it has been found that NSSFs provide entrepreneurial skills although at a very small rate.

The results of regression model show that financial skills has positive coefficient of 0.245 meaning that financial skills have a positive contribution in poverty reduction. This conclusion is in line with the studies done by Chigunta (2002) who concluded that besides finance, entrepreneurs need to know how to develop a business plan, business management, financial management, time management, stress management, improving sales, managing and reducing costs, debt recovery techniques, stock

control techniques, marketing and recruitment. This findings reveal that financial skills are not only necessary to ensure investors choose projects with high yield but also sufficient to achieve poverty reduction.

Further it was found that beneficiaries had not been assisted by NSSFs in areas of financial management, preparing profit and loss statements, balance sheet statement, recording business transactions, preparing budget for business activities and preparing business plans. The same has been recommended by Hussein (1988) that NSSFs are providing credit schemes to the beneficiaries and training them how to repay it with less concentration in provision of entrepreneurial skills.

The other variable tested in this area was beneficiary's goal orientation. The results have shown that 47.5 of the respondents interviewed had no goal focus. They diverged from the goals which were set and presented to the NSSFs institution. Three reasons were given explaining why such divergence which included inadequate capital, inadequate time and lack of skills necessary to execute the intended goals. Among the three reasons, inadequate capital recorded 30 percent that NSSFs provide limited capital which cannot be used to finance large scale investments. For instance when asked whether home improvement was among the area of investment beneficiaries considered, many disagreed which is an evidence that NSSFs does not provide capital which is sufficient to accomplish projects which involve large sums of financing. The finding is supported by McNelly and Christopher (1999) who found that 67 percent of the credit with education program in Bolivia felt that their income had increased or increased greatly since they joined the group. Similarly the results are in line with the study by McClelland (1961) who stated that entrepreneurs

with skills have a better chance of creating new business ideas and then assume the risks associated with developing those ideas. However, the findings by Chigunta (2002) do not support the findings of this study because majority of beneficiaries interviewed were not able to develop business plans, not able to prepare reports and lacked the basic financial management skills. It was revealed that NSSFs do not train members to generate financial skills for optimal utilization of loans provided. This was evidenced by large goal divergence of beneficiaries during the utilization of loans.

5.4 National social security fund.

NSSF is a compulsory scheme providing a wide range of benefits which are realized on internationally accepted standards, NSSF is the only fund in Africa, South of the Sahara, which provides seven benefits out of the nine stipulated by the ILO convention, No 102 Of 1952 named retirement (old age) pension, invalidity pension, survivor's pension, funeral grant, maternity benefit, social health insurance benefit, and employment injury benefit. Up to the end of 2007, the NSSF's net value stood at about USD 650 million or Tsh 747 billion, making it the biggest social fund in East and central Africa (NSSF newsletter, 2010)

The scheme is financed through contributions at the rate of 20% of employee's salary. The employer is required to deduct from employees gross salary the amount of contribution not exceeding 10% employee's salary, the employee adds the remaining balance to make the required contribution rate of 20%. Under the scheme all funds collected are wholly invested for the purpose of financing benefit payments and investing in portfolios such as commercial loans, real estate, government

securities, loan able funds, bank deposit and equities; all of which have contributed to social and macro-economic development of the country (NSSF, 2009)

5.5 Registration of employers and employees.

The national social security act no. 28 of 1997 provides for registration of both employers and employees. Section 11(1) of the act provides that act provides that every employer, unless such employer has been registered under the existing fund, shall register with the NSSF within one month. The period of one month begins upon the commencement of the act or the date when the concerned person becomes a contribution employer. Registration of employers involves statutory registration of branches/ departments, change of employer's particulars, transfer of business to another person, and close of employers business. Registration of members involves registration of statutory members, registration of voluntary members, change of insured person's particulars and change of employment by an employee (NSSF, 2009)

5.6 Payments/ collection of contribution.

Contribution can be paid at any NSSF office in any of the following ways; crossed cheque, banker's cheque, bank draft, cash, post or money order. Employers shall submit payment of contribution attaching all supporting particulars of ensured persons to whom the contribution relate, failure to remit contribution to the fund may result in the following consequences breach of the NSSF act, delay the fund's timely investment or members' fund, deny the members right to get timely benefits (NSSF. 2009)

5.7 Inspections

The NSSF employ officers who pay visits to employers for the purpose of enforcing compliance with social security matters. The inspectors are empowered to enter into the employers premises upon producing certificates of appointment (identity card) for the purpose of carrying out inspection. The following are the powers of inspectors; the right to enter any business premises, inquiries, inspection of employers records and there are three types of inspection includes routine inspection, follow up inspection, survey inspection (NSSF, 2009)

5.8 Investment of fund

The objective of the investment policy is to guide the board of trustees in its investment decision-making. The policy aims at maximizing income from various investments of the fund, protecting them, safeguarding and promoting the interest of the members of the fund by directing investments into safe, high yielding investments and to avert, prevent and minimize any loss to obtain an optimum rate of return which is consider with the safety and liquidity criteria. It also aims at improving social and economic welfare of the members of the fund and the nation as whole (NSSF, 2009)

The objectives of the investment is to maintain time value of money, to enhance the capacity of the fund to manage full benefits to its members, to support social and economic utility in the sense that NSSF invest in areas that fulfill conditions of economic or social utility to the country especially in areas which create employment and contribute to national economic development as well as support social and economic well-being of its members.

5.9 Activities coverage, location and target group.

Persons covered by the social security schemes are all employees in the following sectors, in the formal sector estimated at 1.0 million which cover 5.4% of the whole labour force which is approximately to be about 16 million Tanzanian's these includes government ministries and departments employing staff on service contracts and parastatal organization employing under Tanzania, international organization, and organized group in the informal sector as well as self-employed or any other employed person not covered by any other scheme (NSSF, 2009). In terms of location NSSF have its branches all over the country and in Morogoro region it covers 16% of the region population these are workers employed under formal and informal employment scheme. Formal social security scheme target people who are employed by the government, NGOs and private institutions found in Tanzania while informal covers individual contribution voluntarily like business man and farmers (NSSF, 2009)

5.10 Findings from in depth interviews

When one NSSF staffs asked to elaborate further on the development activities done by NSSF that contributes to income poverty reduction he said.

Despite the fact that NSSF has its basic activities but also they have been involving in various development activities which contributes to income poverty reduction for example have been providing loans to recognized group that are within institutions/ organization recognized by the government like NSSFs this loans have been mainly focusing businessman (SMEs) and small portion of framers this enable them to start

business ventures which contributes to increase their income, he continues, loan can range up to 50 million per group.

These findings from in-depth interview are in accordance with those reported by URT (2009) which revealed that in Tanzania , small business growth have been much contributed by micro and macro loans provided by bank, microfinance and social security institutions that are investing their fund purposely for yielding return but at the same time contributes to business grow.

4.4.4 Another respondent made some observations on the same issue and she said;
Although it seems as if the contribution of NSSF activities to development and income poverty reduction cannot be seen directly to people, but indirectly it brought positive contribution to the society , take an example of voluntary members are businessman when claims for their benefits and being paid use their benefits to expand their business hence increase their income and society income since as business expands it require more labour for service.

These results are also supported v findings from NSGRP (2005) which reported that there has been rapid increase in business activities particularly small and medium scale enterprises (SMEs) and currently are found to be among potential economic sector that contributes significantly to county development through providing a wide range of services including commercial activities, both formal and informal.

5.11 Investment projects conducted by NSSF in Tanzania since 2001

Determined to attain its goals and objectives, NSSF has expanded its strategic business partnership with the government and other stakeholders. They have, for

example, implemented a number of construction jobs for the government, some of which have been completed while others are in advanced stages. The Mabibo Hostel project at the University of Dar es Salaam, which cost shillings 16.5 billion, was completed in 2002, Ubungu Plaza and water front projects. The multibillion University of Dodoma (UDOM) projects, which is so far the largest they have undertaken in the recent past, is nearing completion. Upon completion, it will have a total capacity for 40,000 students. Also their building 241 houses for the Tanzania people's defense forces (TPDF) at Monduli in Arusha and also in Dar es Salaam , again the fund is constructing 120 blocks for the police force at Kilwa Road in Dar es salaam and in Pemba. These projects are important for social and economic development of our country. However they have also built 194 low-cost houses at Kinyerezi in Dar es Salaam. These were completed in 2005 and sold mainly to their members and other interested people. Efforts are afoot to construct another 300 affordable houses at Mtoni Kijichi in Dar es Salaam. The project started in January 2009 and is scheduled to be completed in June 2009. The fund has also initiated its much awaited computerization programmer, in which members are being re-registered and issued with new smart cards similar to ATM cards. The purpose of the new technology is to ensure safe processing of member's claims. The programmer, which started in dare s Salaam, Kilimanjaro, Arusha, Mwanza, Morogoro and Iringa, is being rolled out to other parts of the county. It will drastically cut down the claims payment process to less than an hour (NSSF, 2009).

5.12 Contribution of NSSF to its workers living standards

Responses from ten selected sample of NSSF workers were asked to provide their opinion on how the fund has been able to improve their lives for the whole period which they have been in service with NSSF, the result indicates that NSSF has made contribution to increase social status and improve the life standards of their workers (figures 5). 1(1%) of respondents argues that NSSF have been improving their life standards through conducting frequently training to workers on social matters as well as social security issues, 6(60%) providing loan to workers and 3(30%) financing career. The findings are consistence with those reported by NSSF annual report explained by the NSSF deputy director general, that the fund's successful investment policies were focused on helping the government to enhance poverty reduction through a strategic alliance in various sectors of economic development like education, health infrastructure and social services.

5.13 Findings from in – depth interview

When one staffs asked to elaborate further on the benefits that are entitled as an NSSF staff and how it can contribute to improve their standard of living and solve the problem of income poverty, she said;

NSSSF have been providing loan to its workers up to 100 million under the condition that if the borrower meets all the criteria set to quality for a loan and among of these criteria's she/he should have at list six months of work , but also she/he should not remained with only six month before retirement and also borrower salary scale will depicts the qualified loan amount in relation to remained period before retirement, this enable us to use the money as capital and start business, others constricting

houses, buying car and others purchasing home assets and hence contribute to improve our life standard and income poverty.

These finding are supported with those reported by the Director of Human resources and administration that NSSF will continue to improve lives of its works through provision of loan to workers this will enhance to meet their daily demands like constructing house and this will enable them to improve their lives.

5.14 NSSF Investments Categories

The annual allocation of funds for different classes of assets in the investment portfolio is as follows:

Table 4.14: Allotment of Investible Fund

Return Class	Investment Category	Allotment (%)	Total Holding (%)
	Short term Investment 35%		
A	Money Market <ul style="list-style-type: none"> • Treasury Bills • Fixed deposits/commercial paper 	20 15	35
	Long term investment 65%		
C	Bonds <ul style="list-style-type: none"> • Government Bonds • Corporate Bonds 	15 10	25

D	Loans <ul style="list-style-type: none"> • Government & Corporate loans • Others: SMEs & lending through financial institutions 	10 2	 12
E	Real Estates	8	8
F	Equity <ul style="list-style-type: none"> • Listed Companies • Unlisted Companies 	5 2	 7
G	Housing Financing	5	5
H	Infrastructure	4	4
I	Emerging Markets*	4	4
TOTAL		100	100

Source: NSSF Operation Guide, 2009

NB: *Emerging markets refer to any other investment opportunities that may emerge in the domestic economy. The definition may extend to offshore investments as soon as the capital account is liberalized.

5.15 Challenges faced by NSSF in implementing its activities.

A total of 10(4 women and 6 men NSSF staffs) responded to the question which says what are challenges facing NSSF branch of Morogoro in undertaken the identified activities, majority (40%)said member illiteracy has been the major challenge facing NSSF in undertaking its activities, while about 30% of respondents said seasonal membership due to seasonal nature of jobs at various factories in Morogoro region

this result to premature benefits withdrawal, 20% employers registration and 10% inspection difficulties (figure 6). These imply that in Tanzania the rate of people with formal education is still very low. These findings are consistent with those reported by NSGRP (2005) that illiteracy remains high. About 28.6 percent of Tanzanians cannot read and write in any language, there is more illiteracy among women (36 percent) than man (20.4 percent).

5.15.1 Challenges Facing the Current Social Security Fund Institutions

The existing social security system in Tanzania is characterized by a significant number of challenges, although a number of challenges facing NSSF has been described above, but more challenges facing social security funds institutions were explored from various sources including NSSF annual reports and National Social Security Policy (2003), these challenges include:-

5.15.2 Limited Coverage

Despite the effort made to include persons who are not in a formal employment but still the coverage of social security fund institutions is relatively low, for example findings cited from NSSP, 2003 indicate that persons covered by the social security schemes who are in the formal sector are estimated at 1.0 million. This is only about 5.4% of the whole labour force of over 16 million Tanzanians and less than one percent for those who are in informal sector. This means the remaining 14 million labour forces, engaged in informal sector and comparatively more vulnerable are not adequately covered by the formal social security protection.

5.15.3 Low Levels of Income

Incomes for the majority of the people in Tanzania are generally inadequate to meet their basic requirements and save for future use. Although the average per capita income in the Region has been improving over the period of time from Tsh. 245,299 in 2003 to be Tsh. 337,032 in the year 2008 but still this findings affirm that the prevalence of income poverty is still high as people are living in less than 1\$ per day, this make many people to remain with no money that can enable them to pay monthly contributions to social security funds institutions and hence being saved for future use.

5.15.4 Member withdraw their benefits before retirement

Social security schemes do not provide for pre-mature withdrawals of benefits by members before attainment of the pensionable age. However, due to unstable employment environment, low level of income of most of the workers and little awareness on social security matters, members have a tendency of demanding total withdrawal of benefits upon termination of employment before the attainment of pensionable age. For example the Morogoro NSSF branch has paid out 96 per cent of collected contributions in a worsening trend of withdrawals by members fuelled by intense competition from other funds.

5.15.5 Low social security benefits

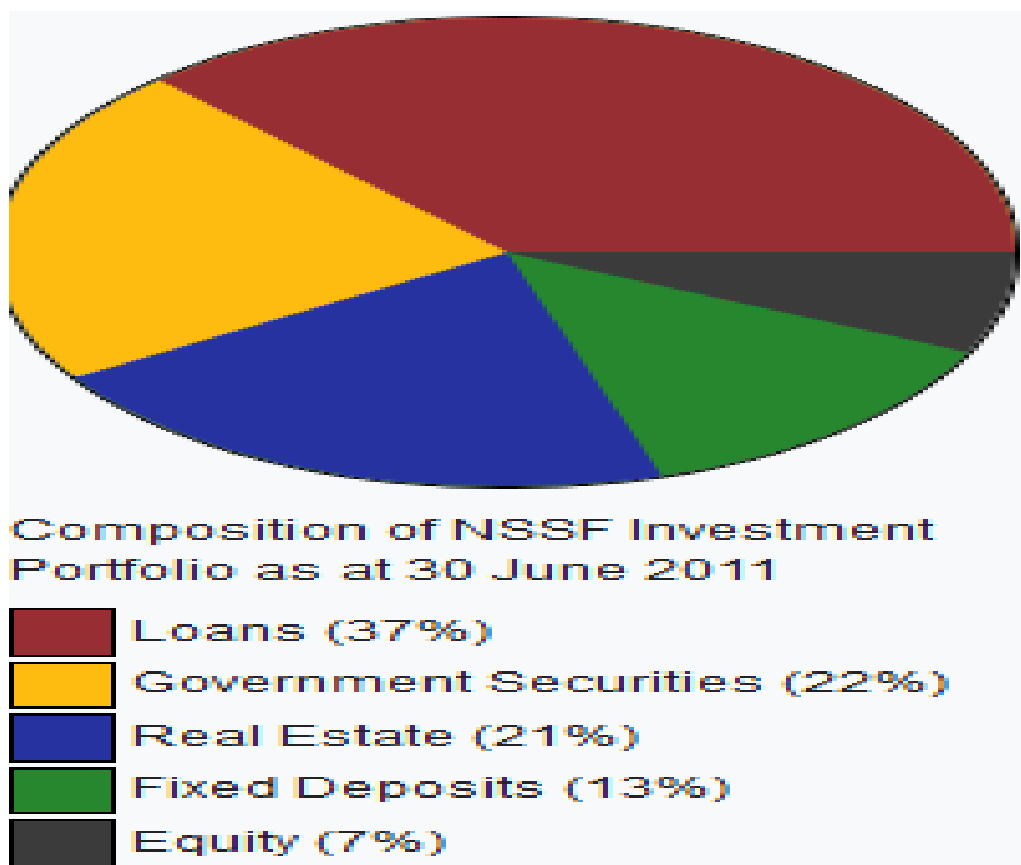
Some employers provide remunerations composed of basic salaries and allowances, while deductions for social security are based on basic salaries only, leading to lower benefits from social security institutions upon retirement

5.16 NSSF investment categories

The annual allocation of funds for different classes of assets in the investment portfolio as

Follows Table 4.14 Annual allocations of funds for different classes of assets in the investment port

Investment Category (TZS Million)	2006/07	2007/08	2008/09	2009/10	2010/11
Government Securities	159,832	164,969	158,838	185,316	271,171
Fixed Deposits	35,545	68,298	145,292	180,963	161,711
Corporate Bond	12,755	10,804	8,054	6,418	800
Loans	117,315	182,251	283,949	386,763	453,403
Equity	96,911	61,047	62,988	69,303	77,999
Real Estate	108,292	182,908	198,558	200,440	251,538
Total Investment Base	530,652	670,280	857,681	1,029,206	1,216,624



Source: NSSF operating guide, 2016

NB: emergency markets to any other investment opportunities that may emerge in the domestic economy. The definition may extend to offshore investment as soon as the capital account is liberalized.

CHAPTER SIX

6.0 CONCLUSIONS AND RECOMMENATIONS

6.1 Conclusion

The findings of this research revealed that services provided by national social security fund have a huge potential in contributing to the government effort to enhance income poverty reduction mainly through benefits provision and investment of collected funds in viable venture. However, this potential has not yet been realized due to minimal allocation of fund in areas that directly can impact positively to the income of the people like increasing provision of loan to various groups found within the society and initiating development activities that can directly increase people income.

Income poverty reduction through social and economic service provided by NSSF branch at Morogoro is possible for example if more funds are directed to income generating activities particularly micro and macro loan to businessman can enable people to have access to capital and start new business ventures while at the same

time create massive employment to people around Morogoro region hence income poverty reduction.

Illiteracy has been the major challenges facing NSSF Morogoro Branch in undertaking its activities as it can be revealed from the findings that majority of respondents, that is 40% has the same notion and this is due to seasonal nature of jobs at various factories in morogoro which in most cases make use of unskilled labour.

Government intervention is virtual to support the efforts made by social security funds institutions like opening the channel for easy access of credit from banks and micro finance institutions.

6.2 Recommendations

Basing on the findings and conclusion the following recommendation were drawn from the study. More efforts are needs to increase the coverage of social security services, the existing mandatory social security schemes currently cover only 5.4% of the labour force estimated at 16.0 million. The larger part of the labour force engaged in the informal sector that includes smallholder agriculture, small-scale mining, fishing, and petty businesses are inadequately covered as indicated in the findings, therefore deliberately effort should be made by social security services to all the citizens.

Investment of social security funds is an inseparable function of social security institutions, sustainability of the schemes and improvement of benefits depend on investment of income. Although the findings shows that NSSF have been investing

in various ventures and providing loan to SMEs, but now more funds needs to be directed in areas where it can bring more positive impact on the income of people like multiple increase in the provision of loan / capital to various group of people found within the society such as farmers and businessman this will enhance business grow, employment creation and hence stimulation of economic growth.

Despite the fact that the findings show that there has been increasing awareness on services provided by social security fund institutions but more efforts shall be made to enhance awareness and sensitization of the society regarding the important and provision of social security services to disadvantage group including people with disabilities, the elderly and children in difficult circumstances.

Recognize that the work of NSSF supplements but does not replace the work of the government in delivering social services. The basis of this recommendation is that in Tanzania still there is significant number of illiteracy as indicated in the findings above therefore the government should increase the provision of quality education since is the pillar for the national development. It is through quality education Tanzania will be able to create a strong and competitive economy which can effectively cope with the challenges of development and which can also easily and confidently adapt to the changing market and technological conditions in the region and global economy.

Most of NSSF members recommend for the reduction of time for claiming their benefits from six months to one week and removal of bureaucratic procedures that

makes many members being discourage and leave their benefits, this will enable to solve the problem of premature withdrawal of benefits by members.

The government shall continue to review tax policies to ensure contributions, benefits and income from investments to enable mandatory schemes offer meaningful benefits to members.

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APPENDIX I: Questionnaire

Introduction

Dear Respondent,

This questionnaire is meant to gather information for academic purpose and the main purpose is to examine the contribution of National Social Security Fund (NSSF) to income poverty reduction in Tanzania. Please note that the information that will be collected is confidential and will only be used for the purpose of this research, which is requirement for fulfillment of a degree award.

Section A: Personal Information

A1	Name of respondent
A2	Sex of respondent	1. Male..... 2. Female.....
A3	Age group	1. Below 20 years..... 2. 21-30..... 3. 31-40..... 4. 40 and above.....

A4	Members marital status	1. Married 2.Single..... 3. Widow.... 4. Widower.....
A5	What level of education do you have?	1. None..... 2.Completed primary school..... 3. Secondary school..... 4. Post secondary/university.....
A6	Occupation	1. Farmer..... 2. Local arts..... 3. Employed..... 4. Business..... 5. Other/specify.....
A7	Name of either the village/ward/district/region you live
A7.1	How long have you stayed here

Section B: Impact of National Social Security Fund to Income Poverty Reduction

Each of the following statement about the roles of NSSF to the Government, please indicate (by ticking) the extent to which you agree them, using the following scale:
(strongly Agree, Agree, Disagree and strongly disagree)

	LEVELS	1	2	3	4
		Strongly Agree	Agree	Disagree	Strongly disagree
B1	Do you have an idea on services provided by social security fund institutions?				
B1.1	If yes how did you acquire the idea for 1. Media..... 2. Seminar or Workshop..... 3.Attending special courses on social security..... 4.Through your employment..... 5. Other/specify				
B2	What do you understand about National Social				

	Security Fund?				
B3	Are you a member of NSSF?				
B4	For how long you have been a member of NSSF				
B5	If you're a member, how much you have been contributing per month?				
B6	Do you think NSSF members contributions can contribute to income poverty reduction? If yes please explain how?				
B7	As a member, what benefits you're entitled to be offered by NSSF?				
B8	Apart from NSSF benefits is there any services provided by NSSF? Please specify,				
B9	With respect to (B8) above if the answer is				

	Yes, Do you think this kind of services can help you to improve your life anyway?				
B10	<p>If yes, what kind of development/improvement? . Constructing house.....</p> <p>2. Increasing income..... 3. Being able to get social services such as education and health..... 4.Own different asset such as livestock and bicycle..... 5.Other specify</p>				
B11	If your answer is number (2) go direct to question (B13)				
B12	If No in question B9 above what are your views about NSSF in improving your life?				

B13	How NSSF services help you to increase your income?				
B14	Can you indicate your source of income and average income per month? Please tick as many as apply				

Thank you for your cooperation

APPENDIX II: NSSF QUESTIONARE MANAGEMENT STAFF

For each of the following statement about the benefit of NSS to members and non - members and non - members please indicate (by ticking) the extent to which you agree them, using the following scale:

1: strongly Agree, 2: Agree, 3: Disagree and 4: strongly disagree)

Section C: Interview Guidelines to NSSF Management and Normal Staff

	LEVELS	1	2	3	4
		Strongly Agree	Agree	Disagree	Strongly disagree
C1	What activities are undertaken by NSSF?				
C2	Do you think activities conducted by NSSF contribute to income poverty reduction? If yes, please explain how?				
C3	What challenges facing NSSF branch at Morogoro in undertaking the identified activities?				

C5	Is there development programmes undertaken by NSSF branch at Morogoro? If the answer is yes, mention them				
C6	Do you think these development programmes they contribute to income poverty reduction?				
C7	With respect to (C6) above if the answer is yes, how these development programmes undertaken by NSSF Morogoro branch contributes to income poverty reduction?				
C8	What are socio-economic impacts of these development programmes toward the surrounding society?				

C9	Do you think services provided by NSSF can help you alleviate income poverty? If Yes, Please explain how?				
C10	Do you think contributions from NSSF members can contribute to income poverty reduction? If yes, please explain how?				
C11	What is coverage of NSSF in Morogoro?				

Thank you for your cooperation

APPENDIX III: Guide for in-depth interview

NSSF Members

1. Personal information (name, age, marital status and education level)
2. What are the major sources of income in your area?
3. Does NSSF potentials in your area having benefit to improve your income?

NSSF Staffs

4. Is there any development activities done by NSSF that contributes to income poverty reduction? If yes, please explain.
5. What benefits you're entitled as NSSF staff, and how it contributes to improve your living standard?
6. What are the challenges facing NSSF?
7. Do Government and other organization help to improve social security funds institutions?
8. What can be done to improve NSSF activities?

Thank you for your cooperation

Appendix 1v: Letter for Data Collection

The Open University of Tanzania
Morogoro Regional Centre
Plot 680 Block J
Barakuda - Mazimbu

P.O. Box 2062
Tel.No: 023 2613303
MOROGORO, TANZANIA



Chuo Kikuu Huria cha Tanzania
Kituo cha Morogoro
Plot 680 Block J
Barakuda - Mazimbu

S.L. Posta 2062
Simu Na. 023 2613303
MOROGORO, TANZANIA

05 December 2018

Ref. No. OUT/MOR/R/P/I/Vol.1/91

Director General
NSSF Morogoro Branch
P.O. Box 147
Morogoro

Re: Introduction of Mr. Edgar E. Mwashimanga Reg. No. PG201700723
(MPM) Student

The individual named above is a student in the Master of Project Management (MPM) of the Open University of Tanzania studying at Morogoro Regional Centre.

The student is interested in conducting Research titled "Contribution of National Social Security Fund (NSSF) to income poverty reduction in Tanzania" for the fulfillment of the requirements of the programme of study.

I would appreciate if you could allow and provide the necessary environment for the students to carry out the exercise satisfactorily within the region.

We thank you in advance for your cooperation and continued support.

Yours sincerely,

Dr. Massomo, SMS
For Director of Morogoro Regional Centre

CC. Mr. Edgar E. Mwashimanga

Director
Morogoro Regional Centre
Open University